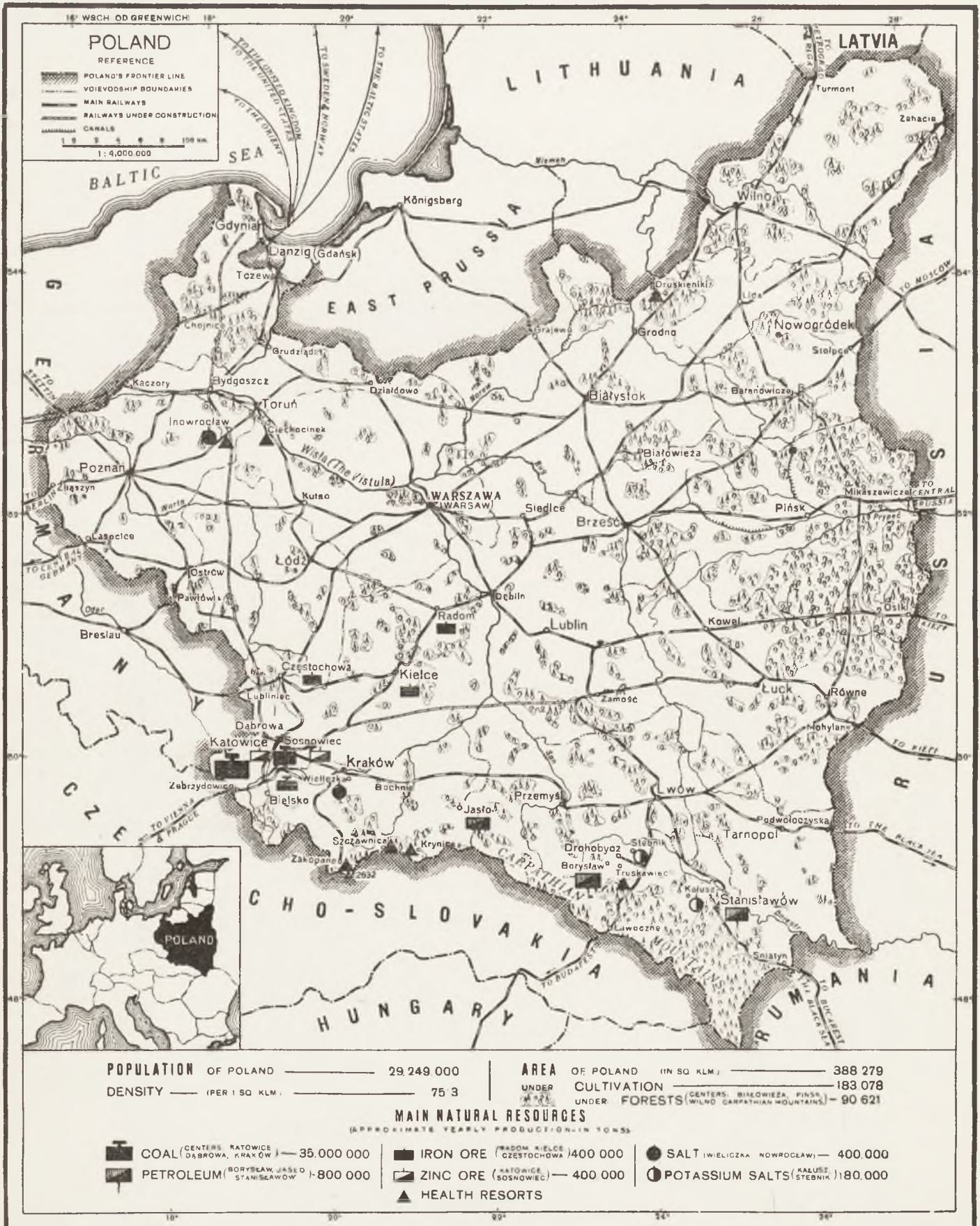


# THE POLISH ECONOMIST





# LOOK AT THIS MAP BEFORE GOING ANY FURTHER





MARCH is a month which usually belongs to the winter season, when economic life is still asleep; yet this year there was, in comparison with February, a considerable revival of activity, which symptom was all the more favourable, since it was remarked in nearly every branch of industry.

In agriculture, with the close of winter, the autumn sowings could be characterised as relatively good; in any case they were better than in the preceding year. The spring field labours were delayed for various reasons, but this, however, will have no effect on the fate of the spring sowings.

In industry, work advanced normally, except in respect of coal, where the unfavourable effect of a conflict within the coal concerns, which caused the diminution of coal output, was remarked. But the improvement in other branches of production, and the spring building activity, caused a decrease in the number of unemployed. This latter was not only a seasonal change, as, for instance, during the spring of 1926 unemployment was on the increase.

The index of prices did not show any marked variations in March as in February.

Foreign trade increased greatly. Imports increased faster than exports: so the trade balance, which had been favourable since July 1925, was barely maintained, and there was a very small excess of exports over imports. The increase of the imports of industrial articles and artificial fertilizers was a healthy sign, while, on the contrary, the rise of wheat imports was an unhealthy one, especially as it was not by reason of natural home requirements, but was only due to foreign credit dumping. The increase of exports was chiefly in respect of timber. In direct consequence of the foreign trade augmentation, port traffic intensified.

The Bank of Poland increased its foreign currency reserves, and the Złoty rate of exchange did not vary.

The receipts of the Treasury were considerable, and the budget was balanced.

The budgetary revenue in March was large, and there was a greater surplus of revenue over expenditure than over before. March closed the fiscal year (April 1st 1926 to March 31st 1927), for which the yearly balance-sheet also showed a considerable excess of revenue over expenditure.

	UNIT	MARCH 1926	FEBRUARY 1927	MARCH 1927
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED		346,400	256,392	243,375
PART TIME WORKERS		89,000	30,562	29,222
<b>PRODUCTION:</b>				
COAL	thousand	2,295—	3,411—	2,898—
OIL	tons	69.9	53.6	58.0
STEEL		30.7	42.6	48.1
IRON		61.1	94.3	113.3
ZINC		10.4	10.8	12.0
<b>AGRICULTURE:</b>				
(crop prospects — agricultural indexes)				
RYE	(5 points system)	3.1	3.5	3.5
WHEAT		3.1	3.4	3.5
BARLEY		—	—	—
OATS		—	—	—
<b>PRICES:</b>				
WHOLESALE PRICE INDEX	1914=100	158.3	197.4	199.9
INDEX OF COST OF LIVING IN WARSAW		168.5	201.3	200.3
<b>FOREIGN TRADE:</b>				
IMPORTS:		72.9	112—	128.3
including:		200.5	383.7	412.8
foodstuffs (edible fats, fish & herrings, coffee, rice, wheat &c.)		15.9	25.8	31.9
animal products (tanned hides, dried skins &c.)		25.6	65.4	78.7
ORE		3.5	7.9	8.9
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		1.3	3.1	3.7
metals & metal products		1.8	3.9	4.2
machinery & apparatus		32.5	79.4	64.2
paper & paper wares		9.5	13.3	17.5
textiles & textile products		29.6	73.4	91.4
EXPORTS:		3.9	6.6	8.0
including:		16.1	31.1	44.3
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)		11.8	10.9	12.0
live animals — in thousands of heads		3.5	3.7	4.1
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		1.5	3.2	3.9
plants & seeds		2.4	5.3	5.9
coal and coke		22.0	31.3	31.5
petroleum products		6.6	11.1	11.1
iron and iron products		88.2	116.4	128.7
zinc		1.027.0	1.666.4	1.623.0
textiles and textile products		22.5	35.7	32.4
EXCESS OF EXPORTS (+) OR IMPORTS (—)		7.5	4.8	7.4



<b>POPULATION</b> of Poland		29,249,000	<b>AREA OF POLAND</b> (in sq. km.)		388,279
<b>DENSITY</b> (per 1 sq. km.)		75.3	<b>area UNDER CULTIVATION</b> (in sq. km.)		183,078
<b>OCCUPATION:</b>					
agriculture		65 p. c.	<b>area UNDER FORESTS</b> (in sq. km.)		90,621
industry		14 p. c.			
commerce		8 p. c.			
various		13 p. c.			
<b>POLAND'S CHIEF TOWNS</b>					
Warszawa (Warsaw)	936,713	Poznań	184,756	Katowice	104,868
Łódź	451,974	Kraków	183,706	Lublin	94,412
Lwów	219,388	Wilno	128,954	Bydgoszcz	87,643
				Sosnowiec	86,432
				Częstochowa	80,473
				Białystok	76,792

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**THE POLISH ECONOMIST**

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

THE LAST ISSUE, FOR MARCH (No. 5), contains the following leading articles: Review of the economic situation in Poland in March, The International Economic Conference, Role of the new States, Potassium salts in Poland, The Bank Gospodarstwa Krajowego, The State Spirit Monopoly — and market reports covering grain, butter, eggs, timber, coal, petroleum, iron, zinc & lead &c., as well as notes on the state of employment, movement of prices, foreign trade, openings for trade with Poland, railway, port and aeroplane traffic, State budget, Stock Exchange, Bank of Poland &c.

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WARSAW, 2, ELEKTORALNA

	UNIT	MARCH 1926	FEBRUARY 1927	MARCH 1927
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC	truck loaded	370,450	444,584	485,053
PORT TRAFFIC:	(15 tons)			
Danzig	reg. ton	234,654	246,627	341,947
Gdynia		13,842	15,233	22,916
<b>BUDGET:</b>				
RECEIPTS		124.3	165.5	248.1
including:				
taxes and public levies		63.2	85.5	123.3
monopolies		36.4	55.7	54.6
State undertakings		3.7	7—	32.9
EXPENDITURE		132.9	148.6	222.7
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES	million £	389.4	633.5	668.4
COVER IN GOLD AND FOREIGN CURRENCIES	% o/o	32.68	55.43	54.79
TOKEN COINS	million £	4.25.8	413.2	422.6
<b>CREDIT:</b>				
(Bank of Poland)				
BILLS DISCOUNTED	million £	301.5	329.1	351.9
OFFICIAL DISCOUNT RATE	% o/o	12.0	9.0	8.5
<b>FOREIGN CURRENCIES:</b>				
(Warsaw Stock Exchange average rates)				
U. S. A. DOLLAR		7.80	8.95	8.95
POUND STERLING		37.99	43.51	43.53
FRENCH FRANC		0.28	0.35	0.35
SWISS FRANC		1.50	1.73	1.72

**SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES**

published in the "Official Journal of Laws of the Republic of Poland"  
("Dziennik Ustaw Rzeczypospolitej Polskiej")  
during March 1927

- Prolongation of the term of relief payments to the unemployed ("Dz. Ust. R. P." No. 17, item 131).
- The principles of calculation of distances between railway stations in connection with the fixing of transport charges ("Dz. Ust. R. P." No. 17, item 132).
- Temporary regulations in respect of consignments transported by the recently opened Kalety-Podzamcze Railway ("Dz. Ust. R. P." No. 17, item 133).
- The opening to the public of the newly constructed Zgierz-Kutno Railway ("Dz. Ust. R. P." No. 17, item 134).
- The prolongation of the term of validity of the reduced railway tariff for consignments of coal destined for Austria ("Dz. Ust. R. P." No. 17, item 135).
- The prolongation of the term of validity of an export duty on rye and rye flour ("Dz. Ust. R. P." No. 17, item 136).
- Bulk payments of postal fees for the delivery of parcels and letters dispatched by Government offices and local district authorities ("Dz. Ust. R. P." No. 19, item 141).
- The refunding of customs duties at the time of exportation of dyed woolen yarns ("Dz. Ust. R. P." No. 19, item 148).
- Supplement to the German-Polish railway freight tariff ("Dz. Ust. R. P." No. 19, item 149).
- The increase of the capital of the Bank Gospodarstwa Krajowego ("Dz. Ust. R. P." No. 20, item 150).
- Amendments to certain articles of the Match Monopoly Law ("Dz. Ust. R. P." No. 20, item 151).
- The reduction of the maximum permissible rate of interest in respect of credit ("Dz. Ust. R. P." No. 22, item 173).
- Ratification of the Polish-German railway agreement ("Dz. Ust. R. P." No. 23, item 174).
- Supplementary rates to the German-Polish railway freight tariff ("Dz. Ust. R. P." No. 23, item 180).
- Increase of the price of sugar ("Dz. Ust. R. P." No. 23, item 188).
- Privileges in regard to the protection of inventions, patents and trade marks extended to the International Cinematography Exhibition ("Dz. Ust. R. P." No. 24, item 190).
- Reduction of the customs duty on potatoes for planting purposes ("Dz. Ust. R. P." No. 24, item 192).
- The placing of State industrial, mining, and trade undertakings on an autonomous basis ("Dz. Ust. R. P." No. 25, item 195).
- Railway tariff agreement with Czechoslovakia ("Dz. Ust. R. P." No. 25, item 196 and 197).
- Creation of a National Mercantile Marine Committee ("Dz. Ust. R. P." No. 27, item 206).
- Part change in the law in order to assure budgetary equilibrium ("Dz. Ust. R. P." No. 27, item 207).
- Re-calculation of the savings put in the Poczta Kasa Oszczędności (Postal Savings Bank) by the intermediary of Polish Consulates ("Dz. Ust. R. P." No. 27, item 209).
- Repatriation of home sugar contingents for the 1927 season, among the different sugar factories ("Dz. Ust. R. P." No. 27, item 216).
- Through goods traffic between Poland and Czechoslovakia, Austria, Hungary, Italy, Switzerland, Yugoslavia and Rumania ("Dz. Ust. R. P." No. 28, item 230).
- Budget law for 1927-28 ("Dz. Ust. R. P." No. 30, item 254).

1) See "The Polish Economist" No. 3/1927, page 142. 2) See "The Polish Economist" No. 4/1927, page 162. 3) See "The Polish Economist" No. 4/1927, page 157. 4) See "The Polish Economist" No. 4/1927, page 142. 5) See "The Polish Economist" No. 5/1927, page 194. 6) See "The Polish Economist" No. 5/1927, page 195. 7) See "The Polish Economist" No. 5/1926 page 188 and No. 3/1927, page 117.





# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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and cover

MARCH is a month which usually belongs to the winter season, when economic life is still asleep; yet this year there was, in comparison with February, a considerable revival of activity, which symptom was all the more favourable, since it was remarked in nearly every branch of industry.

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there was a greater surplus of revenue over expenditure, than ever before. March closed the fiscal year (April 1st 1926 to March 31st 1927), for which the yearly balance-sheet also showed a considerable excess of revenue over expenditure.

# REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

MARCH 1927

	UNIT	MARCH 1926	FEBRUARY 1927*)	MARCH 1927
STATE OF EMPLOYMENT:				
UNEMPLOYED . . . . .		346.400	256.392	243.375
PRODUCTION:				
COAL . . . . .	thousand tons	2.295	3.411	2.998
OIL . . . . .		69.9	53.6	58.0
IRON . . . . .		30.7	42.6	48.1
AGRICULTURAL INDEXES:				
(CROP PROSPECTS)				
RYE . . . . .	(5 points system)	3.1	3.5	3.5
WHEAT . . . . .		3.1	3.4	3.5
BARLEY . . . . .		—	—	—
PRICES:				
WHOLESALE PRICE INDEX . . . . .	(1914 = 100)	158.3	197.4	199.9
INDEX OF COST OF LIVING IN WAR-SAW . . . . .		168.5	201.3	200.3
FOREIGN TRADE:				
IMPORTS . . . . .	million gold ₧	72.9	112.0	128.3
EXPORTS . . . . .		88.2	116.4	128.7
EXCESS OF EXPORTS (+) OR IMPORTS (—) . . . . .		+ 15.3	+ 4.4	+ 0.4
TRANSPORTS:				
RAILWAY TRAFFIC . . . . .	truck loaded (15 tons) reg. ton	370.450	444.584	485.053
PORT TRAFFIC (DANZIG AND GDYNIA)		248.496	261.860	364.863
BUDGET:				
RECEIPTS . . . . .	million ₧	124.3	165.5	248.1
EXPENDITURE . . . . .		132.9	148.6	222.7
MONEY CIRCULATION:				
BANK OF POLAND NOTES . . . . .	million ₧	389.4	633.5	668.4
COVER IN GOLD AND FOREIGN CURRENCIES . . . . .	$\frac{o}{100} \frac{o}{100}$	32.68	55.43	54.79
TOKEN COINS . . . . .	million ₧	425.8	413.2	422.6
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million ₧	301.5	329.1	351.9
OFFICIAL DISCOUNT RATE . . . . .	$\frac{o}{100} \frac{o}{100}$	12.0	9.0	8.5
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	₧	7.80	8.95	8.95
POUND STERLING . . . . .		37.99	43.51	43.53

REMARK: — Figures appearing in the above table are intended exclusively to characterise the economic situation in March 1927; detailed comments on them, and in some cases the latest data, are given in the respective sections of this issue and in the "Latest news".

\*, Corrected figures.

# THE INTERNATIONAL ECONOMIC CONFERENCE

by

HIPOLIT GLIWIC

former Minister of Industry and Commerce, Delegate of Poland to the International Economic Conference

THE PREVIOUSLY obtaining standard of international relations, which was destroyed by the Great War, and the subsequent economic difficulties of the participant powers has not only not been re-established, but the economic equilibrium of the world has been endangered.

The immediate effect of the war on the belligerent nations lay in the closing down of large numbers of industrial establishments, the loss of all available assets in the shape of fluid capital, and last but not least — the enormous wastage of human life. The majority of the world's gold has been transferred to the United States, a country which had never before been in the position of being creditors of the entire world, and which has accepted the consequent responsibilities with a certain unwillingness.

The return to normal conditions has been most delayed in Europe, owing to the shortage of liquid capital and to the general lack of funds. Contrary to expectations, the declaration of peace instead of ameliorating matters, produced a crop of economic troubles, which were, in the main, due to the neglect of elementary economic principles during the fighting period. In most countries, the remedy adopted, i. e., the printing of large quantities of paper currency, led to results which were infinitely worse than the disease.

The question of inflation was an universal plague, which devastated some countries to a greater extent than others. The flight from the rapidly depreciating currencies, produced in some countries an overgrown unhealthy industrial activity, which, fungus like, spread without any regard for the market requirements. Meanwhile all capital assets were steadily waning owing to the inflation, with the result that internal credits disappeared from the market. The difference between the internal prices in a country suffering from inflation, and that ruling on the world market, was in many cases sufficient to allow for the development of an export trade which was economically unsound, and which was usually followed by restriction of imports and dumping of credits. This latter form of dumping, which is in fact more evil than the dumping of goods, did not, however, afford any guarantee of security to its

exponents, whilst on the other hand the necessity for protecting home industry against unsound foreign competition led to the adoption of a whole range of artificial trade restrictions and regulations.

The interest of the population of the impoverished countries of Europe in the question of emigration increased greatly after the war, but the prospect of having their high standards of living broken down by millions of starving emigrants, was not one that the population of the United States was prepared to face with equanimity, with the result that insurmountable barriers in the shape of quotas &c. have now been made.

In general, the vicious circle of economic trouble grew larger and larger, as owing to the large number of unemployed many countries were forced to start new industries in the hope of reducing this figure.

Considerable interest was shown during this time by foreign investors in both those industries which for one reason or another had been artificially developed during the inflation period, and in those which really had good natural conditions and favourable prospects of development. The question as to the type of industry the money was invested in, was really not of great importance, as most of it was lost owing to the fact that the majority of the concerns involved were of a purely speculative character. Even in those cases where the investment was guided by sound principles, the results were frequently of the poorest, owing to the diminished absorptive power of the impoverished populations of those countries, which, being unable to obtain financial assistance from abroad, found it necessary to reduce their consumption to a point far below the productive capacity of their suppliers.

The post-war social problems also caused great difficulties, the general insistence on that part of the mass of the population, who had been promised an „new heaven and earth" after the war, and instead found themselves in a position far worse than they had ever imagined, a general improvement in the standard of living, was not in any way facilitated by the almost complete lack of the wherewithal to satisfy their demands.

The symptoms of economic disorder are so universal and so appariant everywhere that it has now



become a self evident economic fact that it is not possible to expect to achieve any degree of lasting prosperity in any one country while the economic standard of life in another with which the first is linked by ties of commerce, is below the normal. The necessity for bringing order out of the present chaos of international economic relations, and for the application of a little thought and understanding to this end, is increasingly evident.

any far-reaching practical decisions will be taken by the Conference. It will be remembered that reservations have already been made in that the decisions taken at the Conference will not be binding upon the Governments of the countries taking part.

Nevertheless, despite the shortcomings referred to, the Conference will be of great value, as its programme will permit of the discussion of a whole range of vital problems, on which authoritative



IN THE SILESIA COAL BASIN, (PHOT. S. PLATER)

The efforts made in this direction are responsible for calling of the forthcoming International Economic Conference at Geneva. No illusion should, however, be suffered on this score—the Conference will not find remedies for all the diseases. It is sufficient to glance at its programme (considerably cut down by the Preparatory Committee), to be convinced that most of the problems appearing on the order of the day will only be considered superficially, and not exhaustively, as should be the case. The promoters of the Conference have taken care to assemble a large number of delegates, representing all the shades of economic theories and all classes of the different communities, with the result that the whole institution is too heavy a machine for the intricate questions which are to be dealt with. It is therefore unlikely that

statements will, in any case, have to be made. Though the Conference will fail to solve all these problems, most of which, it is true, are most complicated, it appears to be certain that it will be in a position to indicate where the remedies are to be sought.

It is anticipated that the Conference will call into being a permanent body, which will be required to discuss and investigate all those problems, which can be dealt with by an authoritative international institution. Among these problems are: *a)* the question of agreements between banks of issue; *b)* matters pertaining to international syndicates in various branches of production; this will necessitate very careful and thorough investigation; *c)* the basis of a more rational system of customs tariffs; *d)* elaboration of a standard type of custom



schedule; *e*) the distribution of capital; *f*) emigration; *g*) various matters which are now dealt with by private international law, &c.

In this way the foundations will be laid for what some people designate as stabilisation, standardisation and simplification of the international

economic relations, and what to others is but the restoration of normal living conditions.

On our part, speaking of the International Economic Conference, we would quote the ancient saw: "*Quod felix, faustum fortunatumque sit*".



THE CARPATHIAN FORESTS (PHOT. J. BULHAK)

## ROLE OF THE NEW STATES

AT THE FIRST GLANCE it seems quite obvious that the break up of Austria-Hungary, the diminution of the German and Russian Empires, and the creation of new states on these territories, had unfavourably affected the volume of European trade, and in particular that of Germany. This appears to be so obvious that, generally speaking, nobody ever troubles to verify it. But what do the figures reveal?

Let us start with the share of the new states in international trade.

In 1913 Austro-Hungarian imports amounted to gold Cr. 3.509 million. In 1925 the imports of the succession states and of the territories severed from Austria-Hungary, amounted to gold Cr. 6.579 million. On deducting the mutual imports, taking place between the states, and amounting to gold Cr. 2.169 million\*), it will be seen that the imports of the succession states in 1925, were higher by gold Cr. 901.2 million than the volume of Austro-Hungarian imports before the war, representing an increase of 25.7 per cent.

\*) Territorial changes have been allowed for in these, and all subsequent calculations. As a basis of calculation has been taken the number of inhabitants, or the degree of industrialisation, according to the economic character of the territories separated by the Peace Treaties — hence the ratio of industrial to agricultural workers. In the case of countries which, before the war, formed part of one customs area, the figures of the foreign trade between the two parts have been deducted.

The volume of Russian imports (in Europe and Asia) in 1913 was gold Roubles 1.374 million. The aggregate imports of Soviet Russia, Bessarabia, the Baltic States (without Finland, which country had a separate trade balance before the war), as well as the imports of the territories which were formerly included in the Russian Empire, and which now form a part of Poland — were in 1925, gold Roubles 1.257 million. The decline represents only 8.5 per cent. If, however, the imports of the territories sundered from the Russian Empire amounted (after the deduction of the volume of trade between the new states) to gold Roubles 520 million, while those of Soviet Russia during the same year amounted only to Tcherv. Roubles 737 million, the disproportion between the two figures is striking. The new states and the territories severed from the Russian Empire have together only 22.8 million of inhabitants, while Soviet Russia has 139.8 million. It may seem, therefore, that the 18 per cent of the population of former Russia imported in that year only 29 per cent less than the whole of Soviet Russia. If these areas were included in the present-day Russia, with its economic chaos and trade regulations, their import power would be significantly weaker. The emancipation of these territories has increased their import capacity, and it is only owing to this circumstance that the aggregate imports of Russia together with the territories severed from the country, were in 1925 lower by only 8.5 per cent than in 1913. Undoubtedly this



is to the good of the European interstate trade as a whole.

Let us now pass to Germany. The German exports to Austria-Hungary in 1913 were actually RMk 1.104.8 million. Leaving out of account the lost territories (Alsace-Lorraine &c.), the value of exports may be placed at RMk. 1.025 million, while in 1925 German exports to the succession states amounted to RMk. 1.018.1 million. The two figures are practically identical. Despite the calling of the new states into being, and the raising of new customs barriers, Germany has not sustained any losses, all the more so as the total German exports in 1925 (even after allowing for territorial losses in relation to 1913) were lower by 6 per cent. In other words, the proportion of German exports to the succession states and territories was larger in 1925 than that to Austria-Hungary in 1913.

In 1925 the German exports to the new states and to the territories separated from the former Russian Empire, were higher by Mk. 16.7 million than those to Soviet Russia, which amounted to Mk. 250 million, those to the new states and the separated territories being (in million Mk.):

to the territories allocated to Poland *)	134.4
„ Lithuania, Latvia, Esthonia	117.7
„ Bessarabia **)	14.6
	<u>266.7</u>

The above statement shows that the separated territories possessed of only 18 per cent of the population of pre-war Russia, imported from Germany in 1925 6.7 per cent more than the whole of Soviet Russia.

German exports to Russia, within its present limits, fell from Mk. 580.2 million in 1913, to Mk. 250 million in 1925. The exports to the new states and the territories separated from Russia, declined at the same time from Mk. 300 (estimated figure) to Mk. 266.7 million. Exports to Russia fell by 56.9 per cent, and to the separated territories—by only 11 per cent. In order to bring the present volume of German exports to Eastern Europe up to that of 1913, the exports to separated territories need only be increased by Mk. 33.3 million, which actually represents only 10 per cent of the present German exports to Soviet Russia.

This proves once more that the political emancipation of the areas separated from the Russian Empire and freed from bolshevism, was more helpful than prejudicial to the recovery of the German exports trade in Eastern Europe.

The aggregate volume of German exports to all European countries in 1911 was Mk. 7.679.9 million, and in 1925 it fell to Mk. 6.395.9 million, the deficit being Mk. 1.284.0 million. On the other hand, German exports to the five Western countries,

with which Germany was at war (England, France, Belgium, Italy and Portugal), were as follows:

in 1913 (pre-war frontiers)	Mk. 3.225.9 million
„ 1913 (present frontiers *)	„ 3.061.9 „
„ 1925 (present frontiers)	„ 1.726.5 „

After allowing for territorial losses, the deficit in relation to 1913 amounted to 43.7 per cent, or Mk. 1.335.4 million, this sum being larger by 4 per cent than the figure of Mk. 1.284.0 million, which represents the difference between the total value of German exports in the years 1913 and 1925.

The picture would remain the same if the figures of German exports for 1925 were, in all the cases referred to above, calculated at prices ruling in 1913, that is to say if an allowance of about 50 per cent were made for the increase of prices. In that case the figures of German exports to the East and to the West would be smaller. Consequently, the two methods would give the same results, which suggests the following conclusions:

1. — If Germany succeeded in recovering its foreign trade with England, France, Italy, Belgium and Portugal, to the same extent as it has in relation to the territories separated from Russia and the Austro-Hungarian succession states, its exports to European countries in 1925 would have been larger by Mk. 1 milliard, and would have been equal to those of 1913.

2. — Had it not been for the new states called into being on what was formerly Russian territory, and had the former boundaries not been shifted, the volume of German exports to the East would not be as large as it is at present.

3. — It is not the creation of the new states to the East and to the South of Germany that is the cause of its export difficulties, but the Russian catastrophe, owing to which the whole of this territory has been withdrawn from normal international trade, for which reason German exports to Russia fell in 1925 by as much as 55.7 per cent as compared with 1913.

Bolshevism has not only diminished the import capacity of Russia, but also deprived the new neighbouring states of the Eastern markets, which prior to the Great War, played a decisive rôle in the economic life of the new neighbouring countries. Deprived, as they are, of the natural and traditional trade channels to the Russian and Siberian markets, the new states called into being on the territories of the former Russian Empire, and also, to a certain extent, the Austro-Hungarian succession states, are compelled to regulate their imports from the West, because their exports to the East are too limited. Despite these facts, the disciples of free trade and the adversaries of new boundaries, overestimate the influence exercised by the customs barriers and trade regulations of the new states, and do not fully realise the meaning of the Russian chaos to European trade as a whole. As long as Russia and its markets do not recover their purchasing capacity, an improvement in the Europe-

\*) The German statistics relating to the exports to Eastern Poland, Western Poland and Polish Upper Silesia are given separately; the figures for the exports to Eastern Poland embrace both former Russian and former Austrian Poland, and amounted in 1925 to Mk. 188.7 million. According to the coefficient of population, the export to former Russian Poland amounts to Mk. 134.4.

\*\*) Calculated on the basis of the coefficient of the population, that is 14 per cent of the German exports to Rumania.

\*) Probably mk. 164 million less.



an situation depends in the first place on the degree of interest shown, and in the inflow of foreign capital to the new states of Eastern Europe, for it is only then that they will be in a position to develop their import capacity to the extent required by countries suffering from industrial overproduction.

## POTASSIUM SALTS IN POLAND

POTASSIUM SALT occurs in two areas in Poland: in the Eastern part of the Carpathians, in former Austrian Poland, and in the Voievodship of Poznań, in former German Poland.

The potassium salt deposits in former Austrian Poland form a belt, 5 klm. wide and about 80 klm. long, stretching between Kałusz (Lwów Voievodship) and Stebnik (Stanisławów Voievodship), in which places they are best known, thanks to the carrying out of mining operations on a large scale.

These salts occur in the miocen strata of the Carpathians in the form of kainit ( $\text{KCl} \cdot \text{Mg} \cdot \text{SO}_4 \cdot 3\text{H}_2\text{O}$ ), sylvin ( $\text{KCl}$ ) with the admixture of rock salt, anhydrite, and of karnalite ( $\text{KCl} \cdot \text{Mg} \cdot \text{Cl}_2 \cdot 6\text{H}_2\text{O}$ ) in small quantity.

Sylvin and kainit occur in large quantities, karnalite being of secondary importance, in which manner the Polish deposits differ radically from the German (Stassfurt), where karnalite is the most important product.

In the Kałusz area, where the two basic salts occur, sylvin, owing to the large content of rock salt, is known under the name of sylvinite. The content of  $\text{K}_2\text{O}$ \*) in the Kałusz sylvin varies from 15 to 35 per cent, the average being 25 per cent, and in kainit from 10 to 12 per cent. In the Stebnik district only kainit is found with a content of from 10 to 17 per cent of  $\text{K}_2\text{O}$ .

In the Kałusz district the potassium salts form isolated beds and layers from 1.5 to 30 m. thick, which together with the accompanying rock salt admixtures form in the upper strata an angle of 40 to 50 degrees in the South-Western direction; the inclination then becomes gradually smaller, until at the depth of 110 m. it only forms an angle of 25 to 30 degree. As a rule kainit occurs in layers, and sylvin chiefly in the form of thick beds.

The deposits, both in the shape of layers and beds, of which eight in all have so far been located, have been exploited over a distance of 1.500 m. and to the depth of 500 m.

In the Stebnik area Kainit occurs in the form of layers — 1.5 to 15 m. thick, which are inclined at an angle of  $45^\circ$  in the South Eastern direction. These deposits have been investigated over a distance of about 1 klm. and a depth of 300 m.

The reserves of potassium salts, which have so far been discovered in the course of mining operations in the Kałusz and Stebnik areas, are estimated at 20 million tons and the total amount, in the whole belt, from Stebnik to Kałusz may

safely be put at 100 million tons, with a content of 15 million tons of  $\text{K}_2\text{O}$ .

The occurrence of potassium salts in former Austrian Poland is by no means confined to the above mentioned belt; the reserves are much larger, as the presence of potassium salts has been ascertained by means of analysis of water taken from various springs situated to the North and South-East of the Stebnik and the Kałusz areas.

It is, therefore, certain that potassium salts are to be found at Turza Wielka, near Dolina, Morszyn, between Stryj and Bolechów, Otunja, Utoropy, Rosolna up to the Rumanian frontier. It is hardly possible to estimate even approximately the amount of potassium salts available, as no investigations have been made in that region. The salt-bearing territories from Drohobycz and Stebnik up to Kossów on the Polish-Rumanian frontier, are divided into 2.645 mining plots, nearly all of which are the property of the Treasury.

Though the above mentioned reserves of potassium salts are much smaller than those occurring in Germany, yet they are of superior quality, as Polish sylvin contains 35 per cent and over, and Polish kainit up to 17 per cent of  $\text{K}_2\text{O}$ , while the maximum content of the latter in the German salts is 16 per cent. Also as regards the working conditions, Polish deposits compare favourably with the German which are much shallower.

The deposits located in the Poznań Voievodship have not been explored to the same extent as those of the former Austrian Poland, deep drillings having only been carried out at Inowrocław, Góra, Wapno and Szubin. Unlike the deposits situated in Eastern Poland, these are identical in every respect with the world famous German beds. They occur in connection with enormous deposits of rock salt, similar to the German karnalites, and are also accompanied by anhydrite, kizerite, polyhalite and other minerals of this group.

The drillings which were carried out at Inowrocław some fifty years ago to the depth of 1.003 m. revealed the presence, at a depth of 817 m. in a huge block of rock salt, of a layer of Karnalite some 20 m. thick, inclined at an angle of 30 to 40 degrees.

In addition, a large number of shallow borings as well as the rock salt mining operations, which had been carried up to 1907 in a mine which was subsequently flooded, indicate the presence of potassium salts in the form of veins several metres thick, and in beds, which, however, were not long. Certain of the veins in the Inowrocław area were partly exploited by the Germans.

The drillings which were undertaken in 1913 and 1914 at Góra some 9 km. to the South-East of Inowrocław, to the depth of 1.100 m., showed that there, too, the rock salt deposits are intermingled with potassium salt layers from 15 to 20 cm. in thickness. The same remark applies to the rock salt deposits of the Wapno area which is 45 km. to the West of Inowrocław.

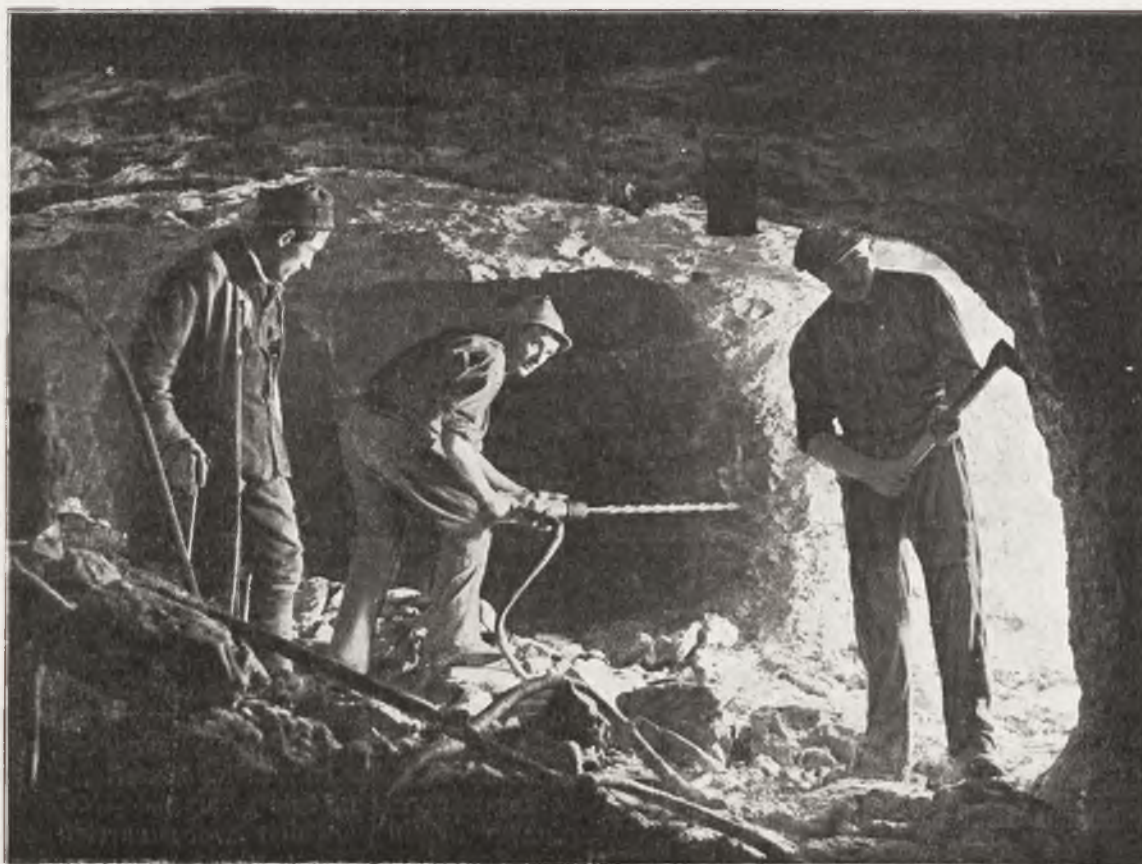
Though at the three above mentioned points the occurrence of potassium salts in large quantities was not established, the drillings undertaken in

\*) The calculations of the percentage of potassium salts are, as a rule, based not on their relation to potash, but to the oxyde, contained therein.



1908/10 at Szubin, about 35 km. to the North-East of Inowrocław, revealed the existence of large potassium salt deposits in the Poznań Voievodship. At the depth of 1.634·6 m. rock salt with anhydrite as well as magnesium and potassium salt deposits were reached, which continued to the depth of 2.063·2 m. from this point on, up to the depth of 2.149 m., that is a distance of 86 metres, a thick layer of karnalite and other soluble minerals mixed up with rock salt, was found. The thickness of

At present potassium salts are exploited in Poland only in the Carpathian foothills, namely — at Kałusz and at Stebnik. The mines are the property of the State, and a few years ago they were leased for a period of 40 years to a joint stock company styled "Spółka Akcyjna Eksploatacji Soli Potasowych" ("Company for Exploitation of Potassium Salts Ltd."), in which the Government is financially interested to the extent of 2/3 of the capital. At present the Bank Gospodarstwa Kra-



INTERIOR OF POTASSIUM SALT MINE AT STEBNIK (PHOT. S. PLATER)

the latter was not ascertained as drilling was suspended at this level.

Although the deposits of potassium salts at Szubin are located too deep to be exploited in the near future, the fact of their occurrence is significant, as it proves that these territories are rich in minerals analogous to those found in the Stassfurt area in Germany. The predomination of this valuable formation in the above mentioned points in the Southern and South-Eastern directions, as well as the occurrence of this strata at lesser depths, seems to indicate that thick deposits of potassium salts may be found at a depth not exceeding 1.000 m.

This may only be ascertained by deep drilling, which necessitates a large capital. If potassium salts, similar to those of Stassfurt, are discovered, the initial outlay would prove an excellent investment, while to Poland it would mean the establishment of a new branch of production in this region.

jowego (State bank) has taken over the Government investment in this undertaking.

Mining operations were begun at Kałusz long before the Great War, while at Stebnik they were commenced in 1923, though this mine was opened some 200 years ago for the exploitation of artificial salt brine. There are two shafts in the Kałusz mine, of which "Sylvin" is 275 m. deep; several others are for ventilation purposes. The mine is divided into five exploitation levels, the total length of the working and the excavations being 4.000 metres. It is provided with modern appliances, such as elevating machinery, pit head gear, boilers, electrical power station, two crushers, electrically driven mills, selecting and automatic loading facilities, a well equipped chemical laboratory and a large number of buildings for technical and administrative purposes.

In addition, the Kałusz mine operates an up-to-



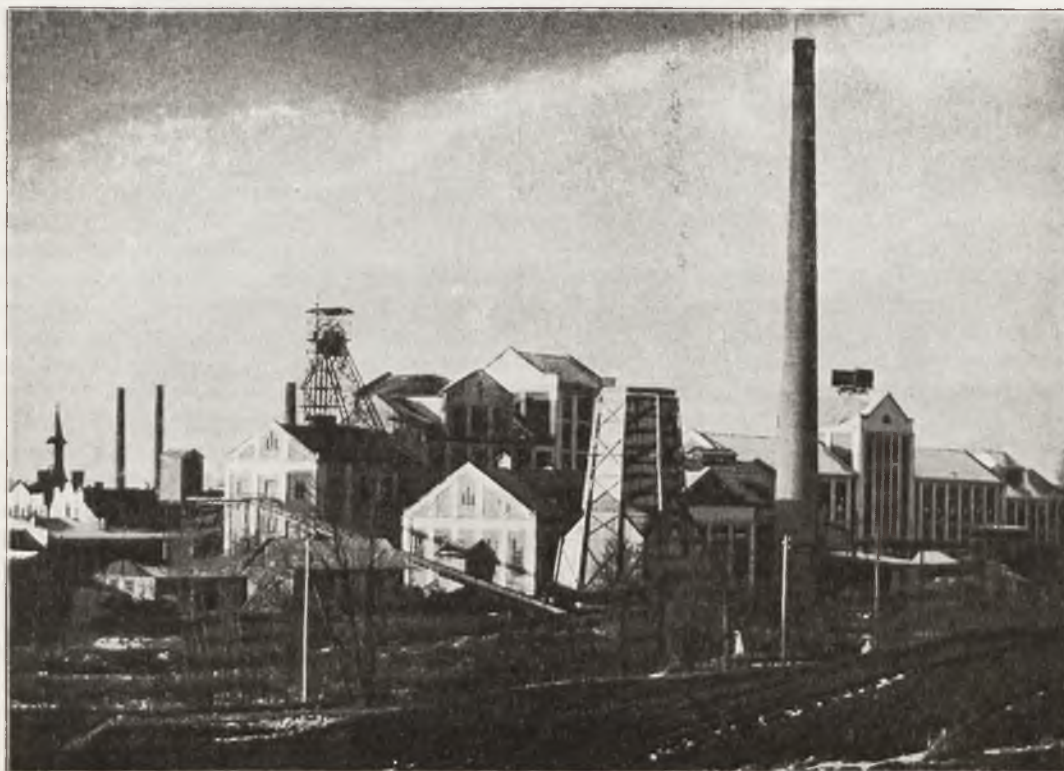
date concentrating plant, designed on German lines, the erection of which was begun in 1924. Thanks to these arrangements, similarly as in Germany, the factory is in a position to supply the trade with a standard product containing a well defined amount of  $K_2O$ , which varied heretofore in almost every truck, the product being marketed in a crude, though powdered state.

The erection of the concentrating plant entailed an outlay of  $\text{Z} 5$  million which was provided by the State, through the intermediary of the Bank Gospodarstwa Krajowego.

cent of sylvinit, the total market value being about  $\text{Z} 11$  million.

Compared with the pre-war output of the German mines (including Alsace), which were in 1913 5.3 million tons of karnalite and 6.3 million tons of sylvinit or 11.6 million tons in all — the quantity raised in Poland at the present time constitutes only about 2 per cent, and for this reason cannot as yet play any rôle on the world market.

As regards the consumption of potassium salts, Poland is still backward, the quantity absorbed being far below the standard of all those countries



POTASSIUM SALT CONCENTRATION PLANT AT KALUSZ (PHOT. S. PLATER)

The productive capacity of the Kalusz mine is 250,000 tons per annum.

The Stebnik mine has one working shaft 152 m. deep, one for ventilation and two brine bores. It is divided into four exploitation levels, the length of the workings being about 2,000 m. The mine is well equipped with modern appliances and fittings and has ample storage accommodation. The salts are ground in a mill having a throughput of 300 tons per day. The output of this mine is about 100,000 tons per annum.

Apart from extraction activity, extensive investigations are constantly carried out by a special staff of geologists with a view to discovering new beds of potassium salts suitable for exploitation.

The output of potassium salts in 1926 amounted to 207,589 tons which included 79,166 tons or 38.1 per cent of kainit and 128,423 tons or 61.9 per

cent of sylvinit, the total market value being about  $\text{Z} 11$  million. Compared with the pre-war output of the German mines (including Alsace), which were in 1913 5.3 million tons of karnalite and 6.3 million tons of sylvinit or 11.6 million tons in all — the quantity raised in Poland at the present time constitutes only about 2 per cent, and for this reason cannot as yet play any rôle on the world market. As regards the consumption of potassium salts, Poland is still backward, the quantity absorbed being far below the standard of all those countries

which have adopted modern methods in the cultivation of soil; the consumption is even below the pre-war figures for the territories forming present day Poland. Thus, while in 1913 the present Polish territories absorbed 515,465 tons of concentrated potassium salts containing 30 per cent of  $K_2O$ , the consumption in 1926 was only 189,557 tons, of which 27,257 tons or 14.4 per cent was imported, the remaining 162,300 tons or 85.6 per cent, being of local origin. Generally speaking, the consumption in Poland is about 25 to 30 per cent of the pre-war figure.

The cause of this abnormal state of affairs is to be ascribed to the general impoverishment of the agricultural community during the war, and, since the stabilisation of the national currency, to the shortage of working capital due to the lack of adequate credit facilities.

In addition to supplying the local requirements



for potassium salts, the Kałusz and Stebnik mines are sparing no efforts to increase their exports, which in 1924 amounted to 1.402 tons, in 1925 to 11.380 tons, and in 1926 to 18.452 tons.

The increase in the volume of the exports indicates that foreign buyers are taking an increasingly keen interest in the Polish products, and this notwithstanding the fact that up to quite recently the salts were exported in a crude state, and were therefore inferior in quality to the German concentrated article. The main exports were to Czechoslovakia and Rumania and lesser to Sweden and Denmark.

The prices for Polish salts are fixed in grosz per 1 kilo/per cent of K<sub>2</sub>O. The present quotations are: for sylvinite 25 per cent average —  $\text{zł}$  70 per ton, and for kainite from 10 to 12 per cent— $\text{zł}$  24.4, free on rail, loco mine.

To complete the description of the reserves and the potassium salt industry in Poland, it should be stated that, despite the rapid development of this branch of production, and the fact that it satisfies the domestic demand, there are enormous possibilities for future development if potassium mining is to keep pace with the increasing demand for salts on the part of the agricultural classes.

If intensive methods in land cultivation continue to develop as at present, and if all the regions of Poland make as extensive use of potassium salt as was the case before the war in former German Poland, there is no exaggeration in saying that within 50 years at the most the local demand will reach 2.5 million tons per annum.

Bearing this in mind, and in order to be able to meet the exigencies of agriculture, the vital factor of national husbandry, Poland must already begin to think of the development of the potassium salt industry on a large scale, not only in former Austrian Poland, where the possibilities are comparatively limited, but also in former German Poland.

## THE BANK GOSPODARSTWA KRAJOWEGO

THE INFLATION of the Polish Mark in the years 1919—1923 robbed Poland of her cash reserves. Hence, after the stabilisation of that currency at the beginning of 1924, and the introduction of the Złoty in April of that year, Poland was faced with an extremely severe economic crisis. The reduced reserves of the private banks were too small to satisfy either demands for cash, or those for long term credits and capital investments.

Under such conditions the creation of a special institution, having a large capital and capable of granting credit facilities on better and easier terms than the private banks, became an urgent necessity. These functions could only be performed by a Government bank provided with adequate funds from the Treasury, which would be more interested in the welfare of the country as a whole, than in the making of profits from a few transactions at a high rate of interest.

For these reasons, the Bank Gospodarstwa Kra-

jowego (The National Economic Bank) was called into being in Warsaw by a decree of the President of the Republic dated May 30, 1924, having a capital amounting to  $\text{zł}$  35 million, which is composed of a Government grant and of the proceeds from the sales of municipal bonds effected in Switzerland in 1925.

In 1924, and in particular in 1925, when, owing to the fall of the Złoty, the financial crisis reached the highest intensity, the Bank Gospodarstwa Krajowego, having at its disposal comparatively large financial resources, started to assist the industry and commerce and the private banks, thanks to which activity a whole range of undertakings were able to recover their financial equilibrium and to continue their operations successfully. However, it was not until the middle of 1926, when owing to the improvement of the economic conditions it was in a position to turn its attention to a different class of business.

Despite the severe economic crisis, which prevailed in Poland in the years 1924 and 1925, the Bank made rapid progress during the two-and-a-half years of its existence. The deposits, mainly consisting of Government grants or foreign loans, and also of the funds of private firms and individuals, amounted to  $\text{zł}$  68 million on December 31st 1924;  $\text{zł}$  223 million on December 31st 1925, and to  $\text{zł}$  416 million on December 31st 1926.

The considerable increase of deposits enabled the Bank to reduce its indebtedness to the Bank of Poland in connection with rediscount operations from  $\text{zł}$  33 million on December 31st 1924, and  $\text{zł}$  27 million on December 31st 1925, to only  $\text{zł}$  6 million on December 31st 1926. The volume of short term credits, which were extended to agriculture, industry, commerce, cooperatives and local governments, has increased as follows (in millions of  $\text{zł}$ ):

December 31st 1924	48
" 1925	202
" 1926	311

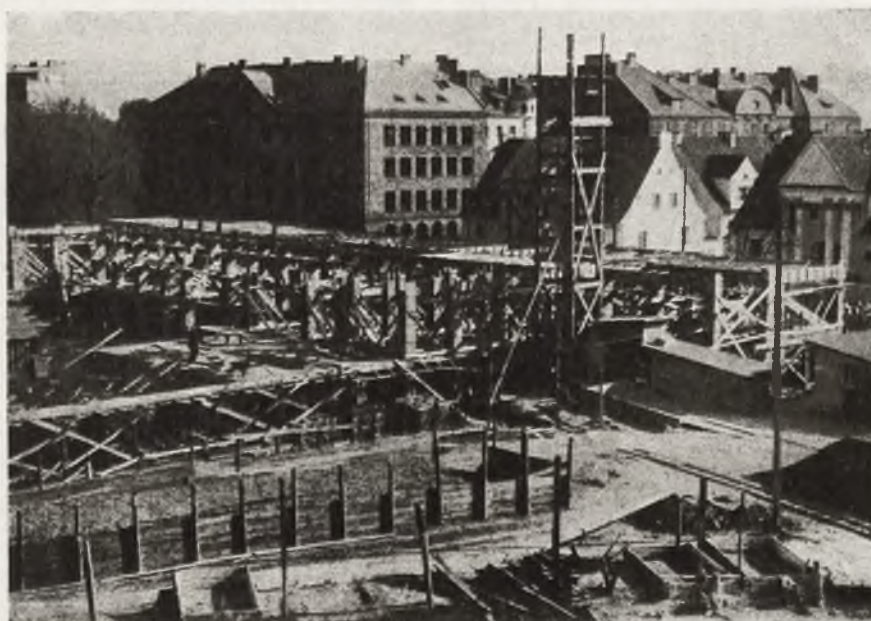
The primary object of the Bank, however, is the granting of long term credits which have a decisive influence on the prosperity and the future of Poland. As a State institution, the integrity of which is guaranteed by the Treasury, the Bank Gospodarstwa Krajowego, endowed as it is with adequate financial resources, is the only bank in Poland, which is able to give long term credit facilities on a large scale; these are given in cash, mostly for the erection of buildings, and also in the form either of 8 per cent bonds guaranteed by the Treasury, or in 8 per cent communal obligations. The credits accorded in ready cash are comparatively small, their volume at the end of 1925 and 1926 being  $\text{zł}$  53 million and  $\text{zł}$  79 million respectively. On the other hand, the issue of long term credit bonds has assumed far larger proportions: the issue of bonds was over  $\text{zł}$  7 million at the end of 1925, which sum was used for building purposes and for the assistance of agriculture. The issue of the 8 per cent communal bonds expressed in Dollars was effected in the years 1925 and 1926, in connection with the various



public utility schemes financed by the American firm Ulen & Company, reached \$ 12 million at the end of last year.

Finally, the 8 per cent communal bonds in gold  $\text{zł}$ , which amounted to gold  $\text{zł}$  27 million at the end of

constituted a convincing proof of the confidence placed by foreign capitalists in the bonds, which are issued in a stable currency, secured by the property of the local district authorities, and guaranteed by the State Treasury.



BUILDING ACTIVITY IN WARSAW (PHT. S. PLATER)

1926, were chiefly issued in 1925, and were almost entirely placed on the Swiss market, while the proceeds were used for the increase of the capital of the Bank. The sale of a large parcel of communal bonds made by the Bank on foreign markets,

In conclusion it may be of interest to give a short *resumé* of the activity of the Bank in connection with the flotation of companies.

In the first place it should be mentioned that the Bank owns a large portion of the shares of the

**REVIEW OF THE MORE IMPORTANT ITEMS  
APPEARING IN THE BALANCE SHEET OF THE "BANK GOSPODARSTWA KRAJOWEGO"  
FOR 1926**

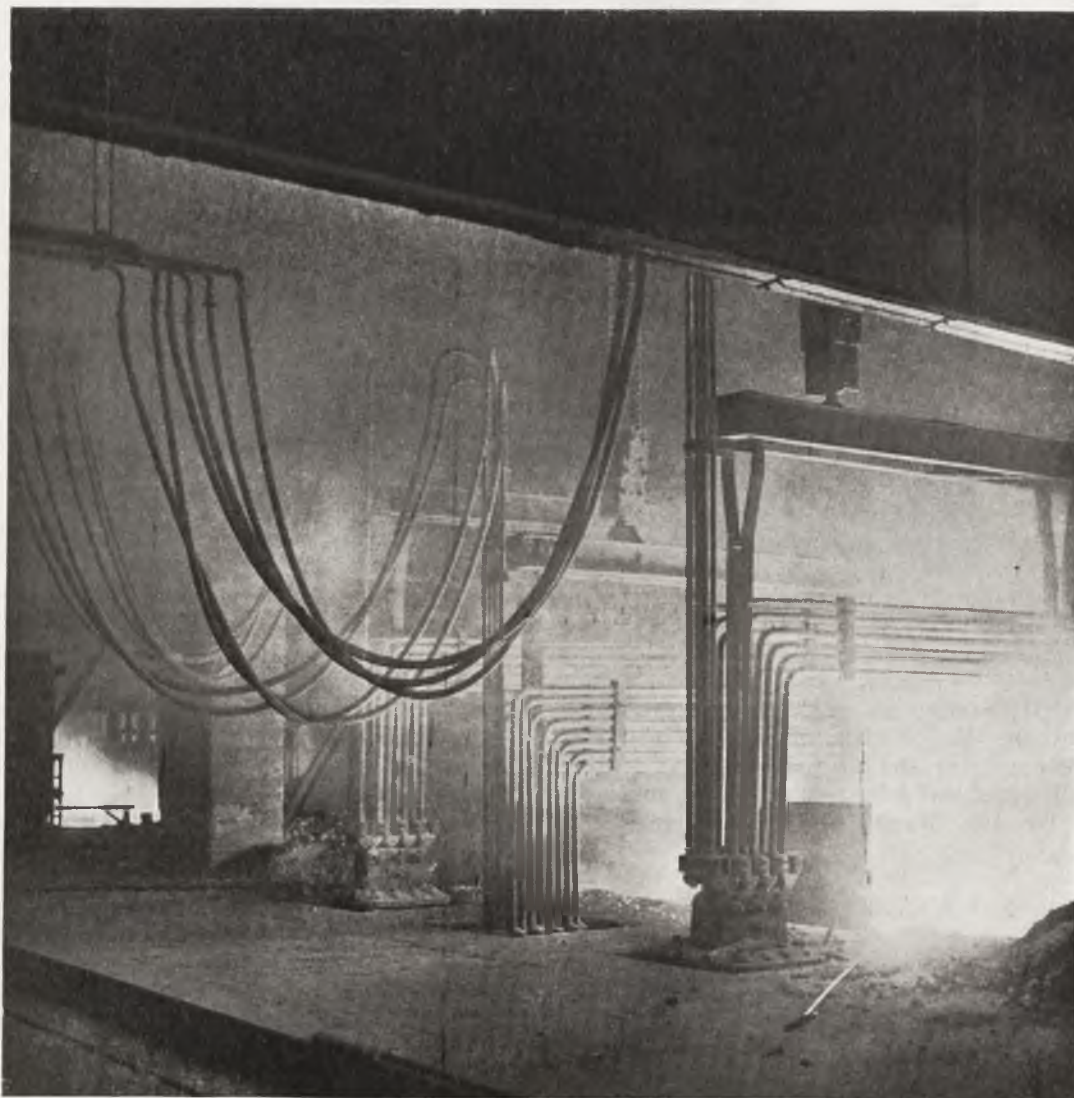
ASSETS:				(in $\text{zł}$ )	LIABILITIES:			
	31 XII 1924	31 XII 1925	31 XII 1926			31 XII 1924	31 XII 1925	31 XII 1926
<b>Balance sheet total</b>	<b>284,359.067</b>	<b>773,942.219</b>	<b>920,159.796</b>		<b>Balance sheet total</b>	<b>284,359.067</b>	<b>773,942.219</b>	<b>920,159.796</b>
including:					including:			
Cash in hand . . . . .	5,420.094	7,140.406	28,184.422		Capital . . . . .	37,117.118	38,090.075	40,314.710
Securities (at cost) . . . .	22,634.568	64,503.413	32,685.220		Other reserves . . . . .	2,687.472	3,723.828	10,981.035
Bills discounted . . . . .	48,058.117	53,683.978	74,255.914		Deposits . . . . .	68,755.334	237,915.041	449,082.551
Term loans . . . . .	25,684.565	31,368.802	29,370.862		Bills rediscounted . . . .	33,762.284	27,260.219	6,876.619
Open credits . . . . .	67,679.756	117,070.185	238,172.816		Loro a/c. . . . .	3,187.287	1,529.568	4,039.859
Loro a/c. . . . .	8,152.053	3,635.857	4,104.935		Nostro a/c. . . . .	492.215	27,762.287	13,360.934
Nostro a/c. . . . .	4,295.529	9,984.190	34,503.027		Issues . . . . .	67,040.514	165,009.476	206,106.319
Loans in bonds and obligations . . . . .	67,040.514	165,009.476	206,106.319		Guarantees . . . . .	59,330.251	218,167.151	120,250.728
Long term loans in cash . . . . .	14,179.607	53,432.632	79,449.518		Net profit . . . . .	1,119.360	2,852.174	4,034.622



Company for the Exploitation of Potassium Salts, which has been able to considerably increase its production owing to the financial support and credit facilities given by the Bank. In addition, the Bank's policy is to promote the development of more intimate trade relations with foreign countries and, *inter alia*, with England. The proof of this is to be found in the establishment of the Polish-

British Bank in Danzig with the financial backing of the Bank Gospodarstwa Krajowego.

As soon as the economic conditions in Poland are sufficiently consolidated to afford a field for the development of industry and commerce by their own resources, the Bank Gospodarstwa Krajowego will suspend its present work, which, under normal circumstances, would be left to the initiative



PART OF THE CHORZÓW NITRATE WORKS

and enterprise of private banks, and will be able to concentrate all its efforts on the extension of long-term credit transactions.

## THE STATE SPIRIT MONOPOLY

IN A DISTINCTLY agricultural country such as Poland the production of alcohol plays an important economic rôle. Most of the distilleries are of an agricultural character, while the alcohol produced is derived from the potatoes, which are left

unconsumed after the current needs have been satisfied. After the production of alcohol, the residue of potato pulp is used for cattle fodder, for which it is most suitable. In this way the production of alcohol by estate owners has a beneficial effect on stock-breeding and contributes towards the increase of animal fertilizers &c., which are indispensable for the cultivation of the predominant Polish variety of light soil.

In the years immediately preceding the Great War, the distilling industry on the territory of the present Polish State, comprised:



2,433 country distilleries having an annual capacity of	2,496,092 hl. 100 <sup>0</sup>
33 industrial " " " " " "	59,909 "
2,466	2,556,001

The only portion of industry which did not sustain any damages during the war was that situated in former German Poland, whilst on the contrary, the damages suffered by the industry in former Austrian and Russian Poland, were considerable as will now be seen from the following figures:

In former Russian Poland (occupied by the German Army) of the 284 distilleries operated in 1912/13 only 14 were still running in 1917, whilst the output of alcohol fell during the same period from 102,000,000 to 2,500,000 litres 100<sup>0</sup>.

In former Austrian Poland of the total number of 847 pre-war distilleries, only 253 remained at its conclusion, while the production fell from 71,196,700 to 2,135,000 litres 100<sup>0</sup>.

Nevertheless, despite the war damages and the loss of about 50 per cent of the consumers, the industry is, parallel with the reconstruction of agriculture, rapidly progressing towards complete recovery. The rate of progress is indicated by the increase of the area under potatoes, which in 1922 already surpassed the pre-war figure. The following figures show the annual increases in Polish potato crops as well as the number of distilleries with their outputs:

Total yield of potatoes — in thousands of quintals

1920	180,963 *)
1921	167,996 **)
1922	332,190
1923	264,942
1924	268,696
1925	291,061
1926	about 245,000

#### Spirit industry

	Number of distilleries in operation	Output of alcohol (in hectolitres 100 <sup>0</sup> )
1918/19	449	140,444
1919/20	659	222,700
1920/21	856	454,198
1921/22	1,131	597,822
1922/23	1,256	938,241
1923/24	1,286	825,350
1924/25	1,283	720,662
1925/26	1,347	625,995

Despite the rapid pace at which the industry is recovering, the yearly output of alcohol is smaller by  $\frac{1}{4}$  to  $\frac{1}{3}$  as compared with the pre-war figures.

This state of affairs is to be attributed to various changes in the economic conditions of Poland, which have taken place since the conclusion of the war and which are dealt with below.

During the first few years of the independence of Poland the bulk of the potato crops had to be utilised for the feeding of the population, owing to the insufficiency of other crops. Up to 1920 no

potatoes were available from which to make alcohol, and for this reason the supplies of the latter were less than the market requirements. Under these circumstances it was clearly advisable for the Government to take on the distillation and sale of alcohol owing to the great obstacles formed by the different local systems obtaining in the three former partitions of Poland, which had been inherited from the alien powers.

By a decree dated January 30, 1919, the State Spirit Monopoly was established in all those provinces, in which such a monopoly had been in force prior to the war; thus the former Austrian and German provinces were exempt from the operation of the decree. This new body faced as it was with external difficulties: the war with Soviet Russia, the absence of adequate trained personnel, defective methods of organisation, and continuous depreciation of the national currency, broke down and was suspended on November 1, 1921. Subsequently, a syndicate was formed for the purpose of regulating both the production and the sale of alcohol. This body was, however, unable to attract all the distillers, and was not strong enough to deal with the unsound speculation which was gaining in intensity at that time. Moreover, the competition on the part of firms outside the syndicate damaged its financial standing to such an extent that it could not meet its obligations. Owing to these causes the production of alcohol was completely disorganised; the situation became so serious that an intervention on the part of the Government again became an urgent necessity.

Under these circumstances, the law of July 31, 1924 established the State Spirit Monopoly, in its present form, which is founded on totally different lines to the old one, called into being by the above mentioned decree of the 30th of January 1919.

The new law has been in operation since January 1, 1925, and under its provisions the State Spirit Monopoly has received the exclusive right for the purchase and the sale of alcohol to local consumers, as well as for the production and sale of pure brandies and of alcohol from raw materials other than those specified by the law.

This form of the State Monopoly, while fixing the methods of compulsory acquisition, leaves the production of alcohol in the hands of private undertakings. The regulation of production itself is provided for by other clauses of the same law, whereby the Monopoly is obliged to determine in advance its requirements up to March 1st for the whole of the following year, and then to allocate the amount between the various distilleries and to inform them of this not later than September 1st of each year. In addition, the law provides for the triennial revision of the total annual production of alcohol for the whole of Poland and for each individual distillery. The annual production for the first period was fixed at 1,500,000 hectolitres of 100<sup>0</sup> alcohol.

If there is a difference between the quota of the production and the contingent to be supplied to the State Spirit Monopoly, it may, at the request of the manufacturer, be disposed of abroad through

\*) Without Eastern Poland and Upper Silesia.

\*\*) Without the Vilno Volevodshp and Upper Silesia.



the intermediary of an export cooperative, without being subject to export duties.

Every year, in November, the Ministry of Finance fixes the basic purchase price per 1 hectolitre of 100° alcohol for each separate Voievodship. The price is calculated in such a manner that it should cover the average cost of production of a well managed agricultural distillery capable of producing 700 hectolitres 100° alcohol from potatoes during one distilling season; the value of potato pulp residue is not taken into consideration. In the case of agricultural distilleries, the basic price is increased or decreased by a certain percentage varying according to the extent of the contingent. The basic price calculated in the above manner

of distributing installations by the Monopoly (in former Russian Poland, the premises of the former Russian monopoly are used for this purpose) contributes materially towards the lowering of the cost of bottling. According to the returns for the first half of 1926, the relation of the cost in question in the State owned bottling premises to the costs of those working on a commission basis is 1 to 2½. The savings resulting from the bottling of alcohol by the Monopoly itself made it necessary to establish distribution plants in those areas, in which bottling is still being carried on on a commission basis. It is certain that the application of this system will greatly increase the revenue of the State Spirit Monopoly.



DÉPÔTS AT A SPIRIT DISTILLERY

is reduced by 17½ per cent in the case of industrial distilleries, and if they are unable to entirely utilise the potato pulp residue, a further reduction of 10 per cent is applied.

Wholesale and retail prices as well as the excise duty per 1 hectolitre of alcohol 100° which is imposed on the total quantity of alcohol produced in the country, are also fixed in this manner, though excise duty is not imposed on alcohol destined for technical, lighting and heating purposes.

The business of the Monopoly, as defined by the law, is conducted by a Director, who is under the jurisdiction of the Ministry of Finance.

The Spirit Monopoly has gradually been extended to the whole of Poland; the Poznań and Pomeranian Voievodships (former German Poland) were the last in which full monopoly was introduced, this having taken place on April 1st 1927.

Since the introduction of the full monopoly, private distributors and manufacturers of brandies have no longer the privilege of producing pure brandies, with the exception of those cases, in which the Monopoly concludes new contracts or prolongs those already existing, whereby the distribution is effected on a commission basis. The experience gained last year indicates that the establishment

The following figures give an idea of the profits made by the monopoly:

	State revenue from alcohol (in £)	Percentage of the total State revenue
1924 *)	132,626.000	9.6
1925 **)	182,329.056	10.0
1926 **)	248,266.216	13.3

In addition, the Monopoly paid to the communal authorities as a supplement to the excise duty (in £):

in 1925	22,411.047
" 1926 ***)	44,073.270

The net profit made in 1925 amounted to £ 23,479.596, while that realised in 1926 will probably be larger by 50 per cent, the estimated commercial profit being £ 35,000.000.

These financial results were obtained by the sales of the following classes of alcohol (in hectolitres 100°):

\*) Excise duty (before the introduction of the Monopoly).  
 \*\*) State Monopoly.  
 \*\*\*) Including arrears for 1925.



	For drinking purposes	For industrial and medical purposes	Denaturated alcohol	Total
1925	410.448	30.525	58.197	499.170
1926	442.439	37.669	87.912	568.020
increase in 1926	+ 7.8%	+ 23.4%	+ 51.1%	+ 13.7%

In the budget of the Monopoly for the period April 1927 -- March 1928, which has already been approved by the Sejm and the Senate, the anticipated gross revenue is  $\text{₺}$  564.830.100, and the net revenue is  $\text{₺}$  377.000.000; after the deduction from the latter sum of the excise duty and the payments to be made to the communal authorities, the net profit accruing to the Treasury should be  $\text{₺}$  70.000.000.

In consequence of the bad potato crops in 1926, the Monopoly increased the purchase price of 100<sup>n</sup> alcohol to  $\text{₺}$  150 per 1 hectolitre. The excise duty together with the communal charges as from January 1, 1927, is  $\text{₺}$  750 per 1 hectolitre 100<sup>n</sup> for the locally produced alcohol, and  $\text{₺}$  1.000 for that of foreign origin.

As from January 1, 1927 the sale price of purified alcohol 100<sup>n</sup> destined for the production of brandies has been  $\text{₺}$  990 per 1 hectolitre 100<sup>n</sup>.

The Monopoly has exercised a most beneficial influence on the Polish distilling industry, the system of fixing of production contingents and sale prices in advance has been of great assistance, as the production of a certain well defined quota at a fixed price, which is the reverse of what had taken place before, has proved the salvation of the distilleries. This explains why in 1924/5 the 300 distilleries in operation prior to the introduction of the Monopoly increased to 900 as soon as it was created.

The absorptive capacity of the Polish market being limited, the State control of the alcohol production only diminished the intensity of the crisis prevailing in the industry — but it has not removed it radically. Under the present conditions some 600.000 hectolitres per annum can be disposed of

locally; and as the productive capacity of the Polish distilleries is twice as large, it is obvious that the crisis will not be over until new outlets for the additional quantity are found. The prospects for export are not very bright, though a certain improvement has of late been noticeable: in June 1926 the Union of Alcohol Producers of Poland secured the lease extending over a period of 25 years of the Spirit Monopoly in Turkey. Thanks to this arrangement, Poland can place approximately 30.000 hectolitres of alcohol per annum on the Turkish market. Since the middle of 1926 Poland has exported to that market over 16.000 hectolitres. Moreover, thanks to the initiative of the Government, steps are being taken with the view to uniting all the distilleries into one export organisation. In this way it is hoped they will be able to join the International Alcohol Syndicate; so far this has not been possible owing to the existence of several independent bodies which competed with each other on the foreign markets.

However, all these favourable factors do not materially affect the prevailing crisis. As it is not the intention of the Government to increase the consumption of alcohol in the form of beverages, it is obvious that the surplus of the output of alcohol can only be absorbed by the domestic market provided the quantity used for technical purposes is augmented. Here, in the first place, the use of alcohol as an admixture to benzine for internal combustion engines comes into consideration\*). The production of this and other kinds of mixtures has made of late great progress in Western Europe, and Poland cannot afford to remain backward in this respect. In order to make this process a success, the production of anhydrous alcohol must first of all be started. One of the largest Polish distilleries is now installing a special apparatus for the production of anhydrous alcohol, and the State Spirit Monopoly has already placed a trial order for some.

\*) See "The Polish Economist" No. 1/1927, page 25.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej")  
from March 15th to April 15th 1927

**The placing of State, industrial, mining, and trade undertakings on an autonomous basis**<sup>1)</sup> ("Dz. Ust. R. P." No. 25, item 195).

**Railway tariff agreement with Czechoslovakia**<sup>2)</sup> ("Dz. Ust. R. P." No. 25, items 196 and 197).

**Creation of a National Mercantile Marine Committee**<sup>3)</sup> ("Dz. Ust. R. P." No. 27, item 206).

**Part change to the law in order to assure budgetary equilibrium** ("Dz. Ust. R. P." No. 27, item 207).

**Re-calculation of the savings put in the Poczta Kasa Oszczędności (Postal Savings Bank) by the intermediary of Polish Consulates** ("Dz. Ust. R. P." No. 27, item 209).

**Repartition of home sugar contingents for the 1927 season among the different sugar factories** ("Dz. Ust. R. P." No. 27, item 216).

**Through goods traffic between Poland and Czechoslovakia, Austria,**

**Hungary, Italy, Switzerland, Yugoslavia and Rumania** ("Dz. Ust. R. P." No. 28, item 230).

**Budget law for 1927 — 28**<sup>4)</sup> ("Dz. Ust. R. P." No. 30, item 254).

**Part changes in the statutory regulations for stamp fees** ("Dz. Ust. R. P." No. 31, items 256 and 274).

**Prolongation of the powers granted to the Treasury for the regulation of currency exchange with**

<sup>1)</sup> See "The Polish Economist" No. 4/1927, page 142.

<sup>2)</sup> See page 194.

<sup>3)</sup> See page 195.

<sup>4)</sup> See "The Polish Economist" No. 3/1927, page 117 and No. 5/1926, page 188.



foreign countries ("Dz. Ust. R. P." No. 31, item 257).

Changes in the price-list for retail tobacco sales ("Dz. Ust. R. P." No. 31, item 273).

Regulations concerning payments for passports<sup>1)</sup> ("Dz. Ust. R. P." No. 31, item 275).

New regulations concerning customs duties rebates<sup>2)</sup> ("Dz. Ust. R. P." No. 31, items 276 and 277).

Prolongation (up to May 31, 1927) of the export duty on rye and rye flour ("Dz. Ust. R. P." No. 31, item 278).

Slight change in the customs tariff law ("Dz. Ust. R. P." No. 31, item 279).

Change of one of the items in the communal finance law ("Dz. Ust. R. P." No. 32, item 288).

Regulations concerning sworn brokers on goods exchanges ("Dz. Ust. R. P." No. 32, item 292).

The taking over of match factories by the State Match Monopoly ("Dz. Ust. R. P." No. 32, item 294).

Change in the term for the handing in of income tax return-forms ("Dz. Ust. R. P." No. 32, item 295).

Prolongation of the customs duties rebates for lime saltpetre<sup>1)</sup> ("Dz. Ust. R. P." No. 32, item 296).

Changes in export duties<sup>1)</sup> ("Dz. Ust. R. P." No. 32, item 297).

Changes in railway freight rates ("Dz. Ust. R. P." No. 33, item 299; No. 35, item 316).

Changes in narrow gauge railway freight tariffs ("Dz. Ust. R. P." No. 35, item 314).

Reduction in tariff for iron ores in Polish-Czechoslovakian traffic<sup>2)</sup> ("Dz. Ust. R. P." No. 35, item 317).

Autonomising of the State undertaking: "State Chemical Works in Chorzów" ("Dz. Ust. R. P." No. 36, item 321).

Issue of the XVth series of Treasury bonds ("Dz. Ust. R. P." No. 36, item 322).

Facilities concerning inventions, models and trade marks granted to the Poznań Fair ("Dz. Ust. R. P." No. 36, item 323).

Part changes in payments for the work of the Weights and Measures Office ("Dz. Ust. R. P." No. 36, item 324).

<sup>1)</sup> See page 198.

<sup>2)</sup> See page 193.

<sup>1)</sup> See page 193.

<sup>2)</sup> See page 187.

# PRODUCTION AND TRADE

**STATE OF EMPLOYMENT IN MARCH.**—During the five weeks from February 27th to April 2nd the number of unemployed decreased from 256.392 to 243.375, by 13,017, or by 5.1 per cent.

This decrease was not great, but it was significant: because it was the first since October 1926, the best month in that year, with 196.7000 unemployed. During the winter months unemployment increased by 60.000; though it was markedly lower than in the corresponding period of last year, when there were 359.100 unemployed at the end of January and 346.400 at the end of March.

It is interesting to note, that the worsening or bettering of employment is only dependent to a small degree on the situation of the industry, and to a much larger extent on the agricultural situation, as agriculture is the mainstay of Poland's economic system. Farming this year began on a more developed scale than last: an example of this fact is the three-fold increase in the utilisation of artificial fertilizers; and it was the commencement of work in the fields which caused the fall of unemployment at the end of March. The seasonal emigration of 20.000 to Germany, was an additional alleviation to the labour market, while overseas emigration remained still on a low level.

The betterment of employment, and the good industrial conjunctures allowed workmen to demand higher wages. During March, wages were increased by 5—12 per cent in the Łódź textile industry, as a result of the strike; in the

Bielsk woolen industry they rose by 9—10 per cent; in the jute industry — by 3 per cent; in the glass industry — by 10 per cent; in the tanning industry — by 8—12 per cent; and in a series of industrial branches negotiations for higher wages were carried on.

The following table shows the number of unemployed according to trades: \*)

	February	March	+ Increase — decrease
mining	18.655	21.595	+ 2.940
foundries	5.578	5.445	— 133
metal	16.828	16.132	— 696
textile	25.480	23.815	— 1.665
building	22.676	19.873	— 2.803
clerical	23.120	22.488	— 632
various	144.055	134.027	— 10.028
Total:	256.392	243.375	— 13.017

In the mines, unemployment augmented by 2.940, owing to the slump in the coal market, as a result of the fall of home coal consumption and the simultaneous lessening of exports. There was no change in petroleum mining, where increased drilling activity is expected. The number of unemployed in the mines was 14 per cent of those at work.

In the foundries unemployment diminished by 133, due to further favourable prospects. Only rolling stock material production lessened, as the orders for the Ministry of Communication had been filled. The unemployed foundry workers were 10 per cent of those employed.

The condition of the metal industry was very favourable, especially in the

agricultural machinery and implement branch. And, in spite of the partial stand-still in rolling stock production, the number of employed increased: so unemployed decreased by 696, and were 22 per cent of those at work.

Although wages were increased, the situation of the textile industry was good. The mills in the Bielsk-Biała district sold all their stocks of summer wear, and decided to prolong the manufacture of this material to the middle of May. The Łódź district showed intense activity; spinning mills worked on three shifts. The situation of the Białystok industry, however, was worse, and the mills were working short time. The unemployed in the textile industry diminished by 1.665 and were 16 per cent of the employed.

Building activity commenced, and the season promises well, unemployment in this industry having diminished by 2.103.

The group of unemployed clerical workers lessened by 632; and the "Various" group diminished by 10.028. This last group embraces the unskilled labourers, the considerable diminution of unemployed therein being in large measure caused by the already discussed awakening of agricultural life, and by emigration to Germany.

Part-time employed were 29.222 in March (30.562 in February): 122 worked one day per week; 1.615 — two days; 3.774 — three days; 6.309 — four days, and 17.416 — five days per week. The average number of days work per man per week was 4.4, against 4.5 in February.

\*) Provisional data



## GRAIN

— The atmospheric conditions in March were different from February. The month was warmer than the average of past years: by 3C in the East, by 6° in the West. In certain districts rain or snow falls were more numerous than in the preceding months; in general they were 50—90 per cent of the average. March was sunny and warm, so the gradual and steady melting of snows allowed the ground to absorb moisture sufficiently.

Although the fields were not everywhere covered with snow, no harm came to the winter sowings, the state of which was better than in the corresponding

period of 1926, as is confirmed by the following data:

	February 1 9	March 2 7	March 1926
wheat	3·4	3·5	3·1
rye	3·5	3·5	3·1
barley	—	3·5	5·2

Corn prices on the home market had an upward tendency, and they increased from the first to the second part of March: wheat by 2·7 per cent; barley by 2·4 per cent; oats by 6·8 per cent, rye by 4·4 per cent.

The rise in the price of oats was generally expected, as up to the present it had rested on an abnormally low level; the greater demand at sowing time also assisted in the advance. The sowing season, likewise, accounted for

the rise in barley prices. The increase in rye prices was the result of the world shortage; since rye could not be imported more cheaply from abroad, the home price ruled the market. The supply of corn to consumption centres was very moderate, because of the commencement of work in the field; prices therefore had an upward tendency, which was offset by the lowering influence of the good state of the sowings. The rise of wheat prices came as a surprise, for world stocks of wheat were large, and prices on foreign markets showed downward tendency; probably the rise at home was caused by the exhaustion of home supplies; this is corroborated by increased wheat import, but since

	March 1st—15th		March 16th—31st		April 1st—15th		Percentages of difference	
	£	\$	£	\$	£	\$	£	\$
<b>W H E A T:</b>								
Warsaw ... ..	54·81	6·14½	56·23	6·30½	56·23	6·30½	0·0	0·0
Poznań ... ..	51·51	5·77½	52·98	5·94	51·67	5·90½	— 0·58	— 0·58
Lwów ... ..	53·69	6·02	55·07	6·17½	55·79	6·25½	+ 1·31	+ 1·29
Average price . . . . .	53·33	5·98	54·77	6·14	52·90	6·15½	+ 0·24	+ 0·24
Berlin RMk. ... ..	26·86	6·39½	26·79½	6·38	26·86	6·39½	+ 0·24	+ 2·23
Chicago ... ..	—	5·11	—	4·94	—	4·90½	—	— 0·71
<b>R Y E:</b>								
Warsaw ... ..	40·76	4·57	41·25	4·62½	42·68	4·78½	+ 3·47	+ 3·46
Poznań ... ..	40·63	4·55½	41·87	4·69½	42·86	4·85	+ 2·36	+ 3·30
Lwów . . . . .	39·29	4·40½	40·23	4·51	39·16	4·39	— 2·66	— 2·66
Average price . . . . .	40·22	4·51	41·12	4·61	41·56	4·66	+ 1·07	+ 1·07
Berlin RMk. ... ..	24·77½	5·90	24·80	5·90½	25·43	6·05½	+ 0·54	+ 2·54
Chicago ... ..	—	4·15	—	3·93½	—	3·96	—	+ 0·64
<b>B A R L E Y:</b>								
a) Brewing:								
Warsaw ... ..	37·36	4·19	38·71	4·34	39·33	4·41	+ 1·32	+ 1·61
Poznań ... ..	35·05	3·93	35·50	3·98	35·68	4·00	+ 0·50	+ 0·50
Average price . . . . .	36·21	4·06	37·10	4·16	37·51	4·20½	+ 1·10	+ 1·08
Berlin RMk. ... ..	22·68	5·40	22·80	5·43	23·07½	5·49½	+ 1·20	+ 1·20
b) Feeding:								
Poznań ... ..	31·48	3·53	32·47	3·64	32·47	3·64	0·0	0·0
Lwów ... ..	30·24	3·39	—	—	—	—	—	—
Average price . . . . .	30·86	3·46	—	—	—	—	—	—
Berlin RMk. . . . .	19·86	4·73	19·86	4·73	19·86	4·73	0·0	0·0
Chicago ... ..	—	3·32½	—	3·35	—	3·42	—	+ 2·09
<b>O A T S:</b>								
Warsaw ... ..	34·43	3·86	36·62	4·10½	37·64	4·22	+ 2·78	+ 2·80
Poznań ... ..	32·46	3·64	34·29	3·84	34·07	3·82	— 0·64	— 0·52
Lwów ... ..	31·17	3·49½	33·86	3·79½	32·78	3·67½	— 3·19	— 3·16
Average price . . . . .	32·69	3·66½	34·92	3·91½	34·83	3·90½	— 0·26	— 0·26
Berlin RMk. ... ..	19·82	4·72	20·22	4·81½	21·10½	5·02½	+ 4·38	+ 4·36
Chicago ... ..	—	3·17	—	3·06½	—	3·03	—	— 1·14



these imports were out of proportion to the real home requirements, the interplay of considerable credit dumping was manifest.

The exports of corn in March diminished: from  $\text{₹}$  4,328.485 in February to  $\text{₹}$  3,629.542 in March. As compared with

cent from Denmark, and also from Sweden, Hungary, Rumania, and Argentine. Of rye 89 per cent was imported from Russia.

The import of corn into Poland, in comparison with February, was as follows (in tons):

retarded pasture growth, and as the supply of fodder was exhausted—prices on the home market rose.

The prices for butter of first quality for the first half of April, compared with the second half of March, are given below:



PORT CANAL IN DANZIG

February and the corresponding month of last year, they were as follows (in tons):

	February 1 9 2 7	March 1926	March 1925
wheat	169	325	565
rye	496	575	3,559
barley	8,829	7,348	8,730
oats	1,291	670	4,122

Wheat and rye were mainly exported to Germany, the proportions being 98 and 100 per cent respectively. Barley went to Belgium (36 per cent), to Denmark (27 per cent) and to Germany (15 per cent). Of oats, 63 per cent were exported to Germany, 11 per cent to Belgium, and 7 per cent to Latvia.

Corn imports diminished slightly: from  $\text{₹}$  11,987.359 in February to 11,497.766 in March, and were mainly composed of wheat and rye. Thus 27 per cent of wheat imports were from Russia, 13 per

	February	March
wheat	10.029	19.788
rye	18.035	13.040
barley	65	73
oats	1.035	2.174

During the first half of April the average home prices (calculated on the basis of prices in dollars) for wheat, rye and brewing barley increased, namely: wheat — by 0.24 per cent, rye — by 1.07 per cent, brewing barley — by 1.08 per cent. At the same time the price of oats fell by 0.26 per cent.

## BUTTER

— In March the price of butter fell as large quantities were available owing to the warm and clear weather. Only when the demand increased as the holidays approached; when the cold, wet weather

	March 15th-31st		April 1st-15th		Percentages of difference	
	₹	\$	₹	\$	₹	\$
Warsaw	7.20	0.80	7.65	0.85	+ 6.2	+ 6.2
Wilno	7.45	0.83	7.30	0.82	- 2.0	- 1.2
Lublin	7.25	0.81	7.20	0.80	- 0.6	- 1.2
Lwów	6.50	0.73	7.30	0.82	+12.2	+12.3

The total export of butter in March was 307 tons, valued at  $\text{₹}$  1,581.704. The main importer was Germany, which received 83.7 per cent of the total; Austria received 12.1 per cent; Czechoslovakia and Finland—smaller quantities.

During the first quarter of 1927, 1,002 tons of butter were exported, as against 266 tons during the same period of 1926.

## EGGS

— During the latter half of March the tendency for egg prices was weak; the supply, in spite of the usual increase of



egg consumption during Lent, was greater than the demand. In the first week of April, before the Easter holidays, the demand and price rose, but fell again in the second week.

Wholesale prices per case of 1.440 eggs were as follows during the period under review (in  $\text{zł}$ ):

	March 15th—31st	April 1st—15th
Warsaw	160 to 175	170 to 195
Lwów	150 „ 170	153 „ 160
Lublin	150 „ 175	157 „ 160

The wholesale export price, per two cases of 720 eggs each, also fell: from \$ 21 to \$ 19. The total exports in March were 6.632 tons valued at  $\text{zł}$  15,512.440, an augmentation of 100 per cent, in comparison with the 3.072 tons exported in February. 63.2 per cent of the export was sent to Germany, 23.5 per cent to England, 10.7 per cent to Austria, and small amounts to Czechoslovakia, Italy, Holland, Belgium, Latvia and Hungary.

During the first quarter of 1927, 11.134 tons of eggs were exported, as against 8.421 tons during the same period of 1926.

## TIMBER

— In March the timber prices remained stable: so the period of quickly increasing values, observed also in Germany, can be considered as having ended. This rise began in 1926, and was not wholly beneficial, because the home industry could not adapt itself to the extraordinary prices of raw timber. But the favourable side of the crisis was more important: it brought the timber prices, which had been abnormally depreciated, to the pre-war parity; certain good consequences are already apparent, in the better situation of

forest directorates, which have begun to plant intensively, and in the demand for forest seeds.

The Polish timber industry had been competitively unenterprising when home prices for raw material allowed for easy sales on foreign markets. But as the raw material values at home rose, the industry had to look at its efficiency, and the Polish and Danzig exporters and producers were forced to compete not only in prices but also in quality.

The stabilisation of prices is shown by the following Danzig statistics (in shillings):

		February	March
pine logs	per cub. m.	46/- to 55/-	46/- to 55/-
pine telegraph poles	„ „	20/- „ 25/-	20/- „ 25/-
„ pit props	„ „	13/- „ 14/-	13/- „ 14/-
oak logs 40—50 cm.	„ „	80/- „ 90/-	80/- „ 90/-
„ „ over 50	„ „	140/- „ 180/-	140/- „ 180/-
aspen logs for matches	„ „	45/- „ 50/-	45/- „ 50/-
pine sleepers I	„ piece	6/- „ 6/3	6/- „ 6/3
„ sleepers II	„ „	3/3 „ 6/-	3/3 „ 6/-
oak sleepers	„ „	6/- „ 6/5	6/- „ 6/5
pine English deals	„ stand.	10.5.0 to 11.0.0	10.5.0 „ 11.0.0
spruce „ „	„ „	10.3.0 „ 10.8.0	10.3.0 „ 10.8.0

And the stabilisation is confirmed by the following prices in various forest

directorates, f. o. b. loading station\* (in  $\text{zł}$  per 1 cubic metre):



EXPORT TIMBER YARD



	Feb.	March
pine logs for saw mills (per cubic m.)		
Warsaw	55.27	55.27
Radom	36.00	36.00
Siedlce	40.00	40.00
Wilno	33.00	33.00
Białowieża	50.00	40.00
Poznań <sup>1)</sup>	45.09	42.48 <sup>2)</sup>
Bydgoszcz <sup>2)</sup>	41.35	41.29
Toruń <sup>2)</sup>	52.60	55.80
pine logs for building purposes (per cubic m.)		
Siedlce	34.00	34.00
Białowieża	30.00	30.00
Wilno	22.00	22.00
pine pit props (per cubic m.)		
Warsaw	35.59	34.36
Radom	24.00	24.00
Poznań <sup>1)</sup>	15.00	24.96
Bydgoszcz <sup>2)</sup>	25.90	27.98
spruce logs for saw mills (per cubic m.)		
Siedlce	30.00	32.00
Lwów	28.40	29.10
oak logs for joinery (per cubic m.)		
Białowieża	90.00	95.00
Łuck	95.00	95.00
pulpwood (per stacked cub. m.)		
Siedlce	23.00	23.00
Wilno	22.50	22.50
Białowieża	22.50	22.50
pine fire wood (per stacked cub. m.)		
Warsaw	15.00	15.00
Radom	11.00	11.00
Siedlce	8.00	8.00
Wilno	6.50	6.00
Białowieża	12.00	12.50
Poznań <sup>1)</sup>	8.86	8.74
Bydgoszcz <sup>2)</sup>	9.34	10.20
Toruń <sup>2)</sup>	7.55	11.65
spruce fire wood (per stacked cub. m.)		
Lwów	7.30	8.20
beech fire wood (per stacked cub. m.)		
Lwów	10.90	12.10

The exports for February and March were the following, those for the latter month breaking all records (in tons):

	February	March
pulpwood	111,725	81,555
pit props	87,286	99,493
telegraph poles	3,755	3,466
logs and stems	130,267	228,410
deals, boards, battens	108,928	171,776
railway sleepers	6,974	14,464
coopers' ware	2,847	4,565

The export of timber in March was 34,817,000 tons: logs and sawn material reached the highest level noted up to the present; the export of logs surpassed several-fold the average exports in 1926. The reason lays partly in the careful planning of shipments: for instance, the best time for log transport is winter, and in summer round wood should be floated. Up to the present, full advantage was not taken of the seasons, partly owing to difficulties in communication, and partly to defective trade organisation.

The augmenting of timber exports will need the careful study of conditions, and the decisions of a sane timber policy for the next fiscal year.

<sup>1)</sup> In the statement for last month, the price for pit props in the Warsaw Directorate has been erroneously quoted at £ 39.59 and for pulpwood in the Białowieża Directorate at £ 25.

<sup>2)</sup> Measured T. O. B.

<sup>3)</sup> Price for timber, 50 per cent of which is affected by the "Panolis flammae".

<sup>4)</sup> Price for timber affected by the "Panolis flammae".

## COAL

The situation in the coal industry in March grew worse owing to the setting in of warm weather, and to the competition between the mines, which had seceded from the Coal Convention, and the mines belonging thereto; thus consumers were expecting a fall of price and held back orders. Another reason for the diminution of the coal demand was the inaction of the Łódź textile industry, due to the strike which passed.

The demand for Polish coal abroad also diminished.

The state of the industry in Poland in March is shown by the following provisional figures (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit heads
Upper Silesia	2,165,000	1,069,000	692,000	1,011,000
Dąbrowa	637,000	326,000	138,000	372,000
Kraków	196,000	163,000	250	93,000
Total for March:	2,998,000	1,558,000	830,250	1,476,000
Total for February <sup>1)</sup> :	3,411,000	2,008,000	883,000	1,266,000
+ in relation to Feb.:	- 413,000	- 450,000	- 52,750	+ 210,000

It is seen from these figures that the extraction of coal fell to 2,998,000 tons; so it decreased, in comparison to February, by 413,000 tons or by 12.11 per cent. The total sales fell more sharply — to 2,388,000 tons; they decreased, in comparison with February, by 503,000 tons or by 17.40 per cent. The stocks at the pit heads rose to 1,476,000 tons; they increased, in comparison with February, by 210,000 tons, or by 16.59 per cent, the increase being caused by the extraction exceeding the demand. Home sales in March were 1,558,000 tons — a fall of 450,000 tons or 22.42 per cent, although they exceeded the March 1926 figures by 261,000 tons, or by 20.12 per cent, and were a result of general economic and particularly industrial improvement.

The export of coal in March was 830,250 tons, so it fell by 52,750 tons in comparison with February, or by 5.97 per cent.

The export of coal to foreign countries in February is given in the following table (in thousands of tons):

Destination	1925 1st sem.	1926 1st sem.	1 9 2 7: Febr. <sup>1)</sup>	March (monthly average)
Austria	194	214	203	155
Hungary	36	42	67	34
Sweden	—	144	155	195
Denmark	2	72	69	106
Czechoslovakia	47	41	52	55
Danzig	26	37	28	22
Latvia	1	18	38	15
Yugoslavia	8	14	11	9
Switzerland	2	10	16	17
Italy	1	49	175	113
Rumania	6	8	9	12
Lithuania	1	3	11	4
Memel	1	3	2	2
Holland	—	1	—	—
Finland	—	9	—	4
France	—	23	21	13
Norway	—	7	13	25
England	—	37	—	—
Germany	451	1	1	—
Belgium	—	—	2	26
Russia	—	—	7	—
Other countries	—	1	—	6
Total:	776	734	880	813
Hunker coal	—	38	3	17
Grand total:	776	772	883	830
Export, Germany not included	325	771	882	830
Shipped through:				
Danzig	29	225	244	323
Gdynia <sup>2)</sup>	—	30	38	49
Tczew	—	5 <sup>3)</sup>	2	9

It is seen from the above figures that the largest diminutions of coal exports in March were: to Italy—by 62,000 tons, to Austria—by 48,000 tons, to Hungary—by 33,000 tons, and to Latvia — by 23,000 tons. Smaller diminutions were in exports to France, Lithuania, Danzig and Yugoslavia. The stoppage of deliveries to Russia had some influence on coal export.

Simultaneously there was a rise of exports to Sweden—by 40,000 tons, to Denmark — by 37,000 tons, and to Belgium — by 24,000 tons. There was a less marked rise to Norway, by 12,000 tons, and insensible rises to Czechoslovakia, Rumania, Switzerland and Finland.

A new line of export was begun to Algiers, where 4,000 tons of coal were sent.

In spite of the fall of general coal exports, it shows improvement over the pre-English-strike period: it is due to the good name, which Polish coal made for itself on foreign markets, and to the cheapening on March 1, of coal freight rates to the Polish ports.

The exports in March 1927 increased in comparison to February by 222,000 tons, or by 36.51 per cent.

<sup>1)</sup> The monthly average figures for separate countries have been calculated by dividing the respective figures for the first semester by 6; but in fact, these figures were reached for the exports of coal to Holland—during 2 months, to Finland—during 5 months. The exports to England date since June, in which month they amounted 221,000 tons.

<sup>2)</sup> Corrected figures.

<sup>3)</sup> Average quantity for 6 months; this figure has been calculated as explained in note No. 1; exports via Tczew lasted only 4 months.

<sup>4)</sup> Corrected figures.



The average daily shipment from Polish mines abroad (for 27 working days) was 30.741 tons; it fell, therefore, from 38.391 tons in February (for 23 working days) by 7.650 tons, or by 19.93 per cent.

The above mentioned drop of railway tariffs caused an augmentation of shipping through Polish ports: thus, the export through Danzig in March was

"idle days" rose, and was about 20 per cent of the working days.

It was by reason of the worse situation in the industry that the mines were forced to further reduce the number of workmen, so that the number fell to 114,203, or was 11,225 less than in February. Therefore, unemployment in the mines augmented. The number of unemployed on March 26, was 20,894, as

but rose towards the end of March and were (in shillings):

large Silesian coal:			
at the beginning of	March	14/6	— 14/9
" " end	" "	15/3	— 15/6
Dąbrowa coal:			
at the beginning of	March	13/6	— 13/9
" " end	" "	14/3	— 14/6

A greater number of foreign enquiries addressed to Polish coal exporters, testify



A COAL PIT (PHOT. S. PLATER)

323,000 tons, against 244,000 tons in February, or 79,000 tons — 32.38 per cent more; and those through Gdynia rose from 38,000 tons to 49,000 tons, or by 11,000 tons — 28.95 per cent. Through both ports together the March shipments were 381,000 tons, or 45.90 per cent of the total Polish export, so they augmented from 284,000 tons in February (32.16 per cent of the total Polish exports) by 97,000 tons, or by 34.15 per cent.

Of the total amount of coal exported, there was sent through Austria 141,000 tons, and through Germany 47,000 tons (including 2,000 tons through Stettin).

Due to the lessening of coal extraction in March, most of the mines worked five days per week; so the number of

against 18,655 on February 26 — an increase of 2,299.

The coal output per team in March diminished, due to the greater number of "idle days"; it was 1.121 kg. per day, 63 kg. or 5.32 per cent less than in February.

Workmen's wages did not change. The projected agreement between the workmen's unions in the Dąbrowa area, and their employers, led to numerous negotiations, which as yet have given no result.

Neither the home prices for coal, nor the conventional export prices (to Austria, Czechoslovakia and Hungary) showed any changes. The export prices to free countries had a downward tendency,

to a generally strong and upward tendency.

#### COAL DELIVERIES TO BELGIUM.

The "Polskie Kopalnie Skarbowe" (Polish State Coal Mines) received an order from the Belgian railways for the delivery of 35,000 tons of coal; their transport from Poland to Belgium is an excellent occasion for the return of the coal trucks borrowed from the Belgian railways by the Polish State Railways, which enabled the quoting of a correspondingly low price.

At the same time Messrs. "Robur" received an order for 100,000 tons of coal, to supply the Gas Works and Electrical Station of Ghent and the adjoining cities.



## PETROLEUM

— The daily crude petroleum output of the Boryslaw basin which is the most important in Poland, was 1.380 tons in March, or about the same as in February.

The total production of this basin was 42.000 tons, while the production in Poland as a whole was 58.000 tons (in January 60.030 tons).

A certain stabilisation of crude petroleum production was observable in the first quarter of 1927, and is explained by the opening of a number of small wells with relatively low output, the exploitation of which pays by reason of high market prices for crude oil.

Petroleum prices had an upward tendency. They averaged \$242 per 10 ton tank car of Boryslaw crude at the beginning of March, and at the end of the month they reached \$250. And as a result of oil scarcity on the market, small output, considerable stores, and large demand—prices still had a tendency to rise.

Because of the high price of crude oil, certain firms, and especially those which have insufficient output, have proposed to import Rumanian crude oil in order to avoid activity in many refineries.

The prices for petroleum products on the Polish market have a weaker tendency owing to the end of the winter season, while there is a stronger demand for gasoline.

A new well has been drilled in Kosmacz (in the Stanisławów basin) completed on March 12, which temporarily yields 10 to 20 tons daily.

Workmen's wages did not change in March.

In February the output of crude oil for the whole of Poland was 53.582 tons, of which 38.500 tons were from the Boryslaw basin. The stocks at the wells and with the store companies are still decreasing: they were 38.300 tons in February, and 43.037 tons in January.

In February 32,826.000 cub. metres of natural gas were produced, which was transformed into 1.984 tons of gasoline, of which 1.747 tons were consumed at home and 54 tons were exported. There were 19 gasoline factories in action, employing 177 workers.

The throughput, according to provisional data at the refineries, was 54.341 tons, and the output of petroleum products was 49.387 tons. Home consumption was 26.600 tons and export — 26.003 tons.

Petroleum products exported in February were (in tons):

benzine	7.112
kerosene	3.734
gas oil	6.975
lubricating oil	2.808
paraffine wax	1.543
other products	3.831
<b>Total:</b>	<b>26.003</b>

The distribution of exports of petroleum products is indicated below (in tons):

Czechoslovakia	10.024
Austria	3.532
Hungary	848
Switzerland	2.133
Other countries	4.843
<b>Total:</b>	<b>21.380</b>
<b>Danzig</b>	<b>4.623</b>
<b>Grand total:</b>	<b>26.003</b>

In February exports of petroleum fell, as did also the exports of gas oil; but the exports of benzine rose.

The exports to Danzig and to Hungary increased, while those of kerosene and gas oil to Austria and gas oil to Switzerland diminished. The exports to Czechoslovakia, which country is the chief customer for Polish petroleum products, remained on the January level.

The stocks of petroleum products on March 1, 1927 were 146.596 tons, as against 149.842 tons on February 1, 1926, as will be seen by the following table (in tons):

	February 1st	March 1st
benzine	15.649	13.828
kerosene	9.472	10.342
gas oil	3.922	4.764
lubricating oil	39.596	42.575
paraffine wax	5.582	6.735
semi-finished products	67.081	61.093
other products	8.540	7.259
<b>Total:</b>	<b>149.842</b>	<b>146.596</b>

"GALICYJSKA KARPACKA NAFTOWA SP. AKC." (Galician Carpathian Petroleum Co. Ltd.).— This concern, formerly known as "Bergheim & Mc. Garvey", with its office at Glinik Marjampolski, recently emitted a new series of shares (at £ 45 per share), thus augmenting its capital by £ 9,550.000. The company is about to begin new intensive drilling for crude oil.

## IRON

— March was even more favourable to the founding industry than the preceding month. The orders were sufficient to ensure work for several months to come. The home orders testified to better economic conditions, especially those from the private firm — the result of greater productive and buildig activity: in February they exceeded the January figures by 60 per cent, and in March there was a further increase. The orders from trade were about 60 per cent of the total of non government orders.

In the foundries production rose in comparison with February: pig iron — by 11 per cent, steel — by 21 per cent,

and rolled products — by 32 per cent. March was partly a record month in the industry, it surpassed the average monthly output for the best post-war years, 1923: in pig iron — by about 10 per cent, in steel — by about 20 per cent, and in rolled products—by nearly 30 per cent.

The output of iron ore rises in proportion to the rise of blast furnace activity; since the furnaces are constantly increasing work, it is natural that ore production is also increasing, and in March it was greater by 25 per cent. Thus is also explained the diminution of iron ore imports.

The extraction and the imports of iron ores during the period under review were as follows (in tons):

		<i>Extraction</i>	<i>Imports</i>	<i>Number of work- men em- ployed</i>
February 1927		35,366 <sup>1)</sup>	53,982	5,698 <sup>1)</sup>
March 1927		43,560 <sup>2)</sup>	42,815	6,030 <sup>2)</sup>
1926		16,850	24,096	2,690

The total extraction for the first quarter of 1927, was 115.675 tons; the corresponding figure in 1926 was 51.272 tons; therefore in the present years there was an increase of 125 per cent.

The output of iron foundries in March was as follows (in tons):

		Pig iron	Steel ingots	Rolled material	Number of workmen employed
February 1927	42.633 <sup>1)</sup>	94.255 <sup>1)</sup>	65.110 <sup>1)</sup>	41.813 <sup>1)</sup>	
March 1927	48.127 <sup>2)</sup>	115.282 <sup>2)</sup>	86.525 <sup>2)</sup>	41.998 <sup>2)</sup>	
1926	30.683	61.117	42.821	31.387	

The export of foundry products was greater than in the preceding months by about 12 per cent, the export of pig iron and pipes, which began to lessen in February, rose again in March. The agreement of Poland with Czechoslovakia, Austria and Hungary in respect of territorial protection and sales outlets in the Balkan States, largely assisted Polish foreign trade, which in March was as follows (in tons);

	Exports:			Imports:		
	Febr. 1927	March 1927	1926	Febr. 1927	March 1927	1926
pig iron	1.281	2.602	1.425	1.206	1.198	152
rails, iron and steel articles	5.445	4.961	400	903	1.723	298
iron and steel sheets	4.651	4.870	2.051	940	1.152	269
pipes	2.757	3.583	1.490	242	—	462
<b>Total:</b>	<b>14.134</b>	<b>16.016</b>	<b>5.366</b>	<b>3.291</b>	<b>4.073</b>	<b>1.181</b>

The question of scrap iron supplies is most important to the Polish iron foundries. On April 15th expires the

<sup>1)</sup> Corrected figures.

<sup>2)</sup> Provisional figures.



Geneva Convention, by force of which Germany was bound to deliver annually to Poland 235,000 tons of scrap iron. Unless commercial treaty between the two nations is made, the cessation of the deliveries must be expected. The matter was foreseen by the foundries—they sought other sources of supply and at present have ensured replacement of German scrap iron. Already the actual import of scrap iron is greater than the German contingent of 20,000 tons per month: in March the import was 37,669 tons against 25,821 tons in February, and 37,425 tons in January.

**A DECREASE IN THE FREIGHT TARIFF FOR IRON ORES IN THE TRAFFIC BETWEEN POLAND AND CZECHOSLOVAKIA** was made by a decree of April 7, 1927 ("Dz. Ust. R. P." No. 35, item 317). The purpose of the reduction is to attract the shipping of consignments of iron ores from Sweden to Czechoslovakia, via the Polish railways. Such transports are already augmenting: they arrive by sea to Danzig, and are there loaded into Polish trucks, for transit to the Czechoslovakian frontier. The main recipient of iron ore by this route is the Witkowiec works in Czechoslovakia.

## ZINC AND LEAD

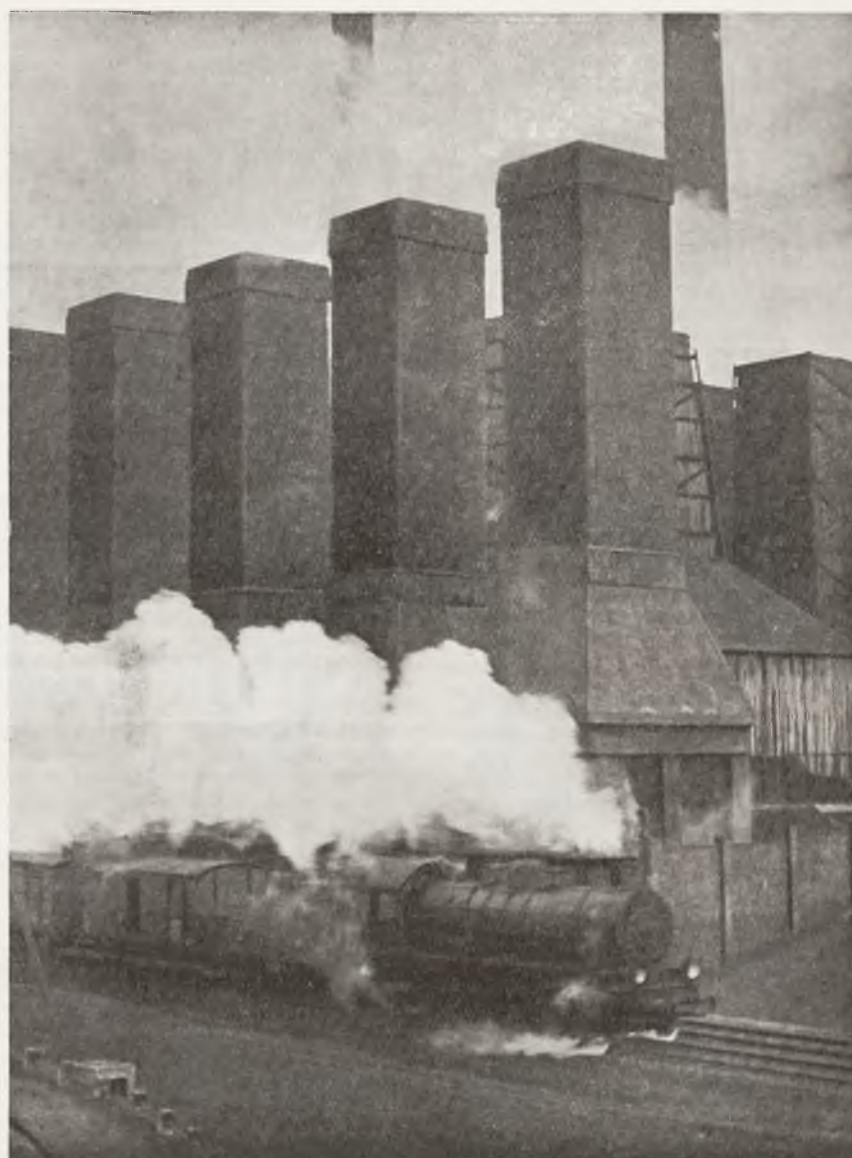
— Of all Polish industries, the zinc and lead industry is one of the most stabilised: so the output of mines and foundries varies in a very small degree.

The March extraction of zinc and lead ores, after hand selection, was as follows (in tons):

		Extraction	Imports	Number of workmen employed
February	1927	82,901 <sup>1)</sup>	15,782	8,044 <sup>1)</sup>
March	1927	88,634 <sup>2)</sup>	19,471	7,925 <sup>2)</sup>
"	1926	107,522	5,711	9,648

Investment work begun by several mines was continued in order to exploit the poor ores, and to extract a certain small per cent of zinc from the enormous stocks of zinc residues. The conclusion of this work will enable Poland to considerably augment zinc production without a too quick exhaustion of the rich zinc beds.

Zinc and lead extraction, in March, remained without change, in spite of a fall of prices on the London market. The rising price tendency at the end of February gave rise to favourable expectations, which were deceived by the further price fall in March even to the limits where production ceases to pay. Everyday the necessity of an international zinc cartel becomes more apparent;



FROM THE SILESIAN INDUSTRIAL CENTRE (PHOT. S. PLATER)

therefore Poland, as one of the main zinc producing countries, is actively interested in all discussions which are connected with the matter.

The production of zinc sheets augmented probably owing to the commencement of the building season.

The state of production, as well as the exports of zinc and lead in March, are given in the following statement (in tons):

		Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
February	1927	10,813 <sup>1)</sup>	1,019 <sup>1)</sup>	2,331 <sup>1)</sup>	12,201 <sup>1)</sup>
March	1927	11,991 <sup>2)</sup>	1,195 <sup>2)</sup>	2,804 <sup>2)</sup>	12,479 <sup>2)</sup>
"	1926	10,444	734	2,411	11,372

The export of zinc and lead products rose in March by about 45 per cent as

compared with February last. It will be seen by the following statement (in tons):

		Raw zinc, zinc dust incl.	Zinc sheets	Refined lead
February	1927	8,403	1,149	1,082
March	1927	12,214	1,247	2,019
"	1926	8,058	576	959

## TEXTILE INDUSTRY

**ENDING OF THE STRIKE IN ŁÓDŹ.**— As reported in the previous issue\*), this question was brought before a Government arbitration Committee composed of three members: K. Bartel, Vice-Premier, E. Kwiatkowski, Minister of Industry and Commerce, St. Jurkiewicz, Minister of Labour. The

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.

\*) See "The Polish Economist" No. 4/1927, page 153.



**THE SOCIETY  
FOR  
FOSTERING  
OF  
PEASANT HOME  
INDUSTRIES  
IN  
THE REPUBLIC  
OF  
POLAND**

**WARSAW, 1, TAMKA**

**Offers:**

Garden furniture — Kilims  
Home spun woolen cloths  
Peasant pottery  
Wood wares  
Toys — Batik  
work etc.

decision of this Committee which was for an increase of wages by 5 to 12 per cent, dependent on the category of workmen, based on the increase of the cost of living in Łódź, was accepted both by masters and workmen. The necessity of raising the incomes of the men to the minimum required for existence was not lost sight of, so the lower wages were raised by a ratio larger than for the higher wages. To the most numerous category of workmen, whose daily wages were  $\text{zł}$  4—5 and 5—6, an increase of 9 and 7 per cent respectively, was allotted.

The decision is valid to June 30, 1927, after which time the precepts laid down by the Committee continue to hold good unless repealed, and the wages of workmen may be changed on demand by either party, a month's notice having been given.

The Committee further decided that wages for the duration of the strike should not be paid, and that no workmen should be punished for participation therein.

Since 120,000 workmen struck for two weeks, it is estimated that the losses caused by the strike amount to  $\text{zł}$  7,000,000.

**VARIOUS**

**DEPOSITS OF PHOSPHORITES.** — These deposits are, in view of the rich source of supply of phosphoric acid afforded, of great importance to agriculture, which should normally consume 3.5 million tons per year, instead of the present figure of 180 thousand tons.

In order to investigate the deposits and to check the quality of the phosphorite strata, and for the working out of a uniform plan of the solving of the questions concerning practical agriculture, the Ministry of Agriculture recently called a conference composed of specialists, of representatives of the scientific world, and a delegate from the National Geological Institute.

The Conference stated, among other matters, that the investigations heretofore conducted were rather of a theoretical than of a practical order; that, strewn about Poland, were nearly 300 phosphorite beds of varying richness and quality; lastly that to the beds relatively best known and partly exploited belong:

a) the Niezvisk beds composed of about 10 million tons of the natural product, with a 26 per cent content of  $\text{P}_2\text{O}_5$ ,

b) the Kutyski beds on the Strypa, composed of about 10 million tons of the natural product, with a 16—18 per cent content of  $\text{P}_2\text{O}_5$ ,

c) the Rachów beds on the Vistula, which can supply about 400 thousand tons of pure  $\text{P}_2\text{O}_5$ ,

d) the Nasiłków beds on the Vistula (Wojszyn estate) composed of very rich phosphorites, yielding up to 30 per cent of  $\text{P}_2\text{O}_5$ .

It is necessary, foremostly, to test the beds at Nasiłków and in Kutyski, and

**THE  
POLISH  
TEXTILE  
EXPORTING  
ASSOCIATION  
LTD.**

**ŁÓDŹ**  
9, MONIUSZKI

to continue investigations in the following order: deposits near Kielce, Drohiczyn (Mielnik), Wołkowysk, and in the neighbourhood of Grodno and Smardwa-Pełcza in Wołyn.

Investigations in those places where phosphorites appear should be made in the spring, at the earliest possible moment; and the calculation of their stores should be carried out simultaneously with the estimation of their percentage of  $\text{P}_2\text{O}_5$ .

Scientific experiments in the application of phosphorites are yet in their infancy; only in the near future will it be possible to state whether it is advisable to adapt the material in its natural state or, in what proportion it should be admixed, in the production of superphosphates from foreign phosphorites.

The further care of this matter, raised at the Conference, was left to a special Committee, which will lay before the Ministry of Agriculture an estimate of the costs of the investigations planned for this year.

**MOVEMENT OF PRICES IN MARCH.** — The level of prices in March had no decided tendency. This might be the result of the currency's change in purchasing ability. The minimal variations of prices were either caused directly by the price tendencies on the world market, or partly by the conditions on the home market. There was, as in February, a slight rise of wholesale prices, with a simultaneous slight fall in retail prices. This is shown in the following table (1914 = 100):

	Wholesale prices index:		Retail prices index:		Cost of living index:	
	nominal gold	nominal gold	nominal gold	nominal gold	nominal gold	nominal gold
Jan.	195.2	112.8	255.8	147.8	201.8	116.6
Febr.	197.4	114.4	255.2	147.8	201.3	116.5
March	199.9	116.0	253.4	147.1	200.3	116.0

The nominal wholesale index rose in March by 1.2 per cent; the retail index fell by 0.7 per cent, and the cost of living index fell by 0.5 per cent. Since the Złoty rate of exchange rose during March, the indexes calculated on a gold basis, were somewhat different: the wholesale rose by 1.4 per cent, the retail lowered by 0.5 per cent, the cost of living fell by 0.4 per cent.

Agricultural and industrial articles contributed to the rise in the nominal wholesale index: for the first mentioned by 1.0 per cent (from 216.8 to 219.1), which was the result of the 5.5 per cent price increase for foodstuffs, being a reflection of price increases on the world agricultural markets, blending

with the exhaustion of home grain stores, before the new harvest. But the fall of prices of animal products, which are the core of Polish agricultural exports, brought the index down by 4.7 per cent. To a certain extent this fall was caused by the price decrease for milk products on the London market, and the simultaneous augmentation of supply on the home market; partly it was caused by the lowering of cattle and meat prices.

The nominal wholesale index for industrial products rose in March by 1.5 per cent (from 186.9 to 189.6), owing to the 3.8 per cent average increase in timber prices, which was connected with the increase in wood prices on the



world markets. It is characteristic that the prices for unsawn timber did not change, the rise being only in respect of the sawn material. The second factor of the index rise, was the advance of textile prices by 3·7 per cent, which was caused by the increase of the costs for woolen and cotton raw materials, and by the rise of workmen's wages in the most important textile centres. The fundamental industrial production prices showed no serious alteration: so the metal index, through the rise in zinc, increased by 0·3 per cent; the coal and coke index did not move; and the index for all other industrial articles fell by an average of 0·3 per cent, chiefly owing to the decrease in prices of hides, and due in small measure to the rise of the cost of groceries by 1·2 per cent, the result of the increase in price for certain articles (rice and such-like) on the world market.

The fall of the nominal retail index, by 0·7 per cent, was mostly the result of the lessening of agricultural prices by 2·5 per cent (from 268·6 to 261·8), which in turn was caused by the decrease in meat and milk product prices. The retail prices of industrial goods rose by 0·6 per cent (from 242·9 to 244·3). So, in consequence, the index of cost of living for a working family fell by 0·5 per cent. Directly this index reacted to the decrease of food costs, by 2·2 per cent, and the decrease of heating costs, by 1·0 per cent, while the cost of clothing increased by 3·9 per cent. The remaining groups did not change.

## FAIRS AND EXHIBITIONS

**THE POZNAŃ FAIR\*).** — The annual fair will be opened on the 1st of May and will close on the 8th of May. It is larger this year than last.

Representatives from nearly all countries are to be present: from England, Holland, Czechoslovakia, Turkey, Persia &c., and 600 business men from the United States.

There is this year a special display of Upper Silesian production: coal, zinc, &c., in a large hall, forming a complete unit of samples from every branch of industry in Upper Silesia.

The petroleum industry is not represented: next year it will have a special hall at the Fair, replacing this year's show of Upper Silesian products.

Foreign industries are represented: from England, France, Belgium and its colonies, Persia, Czechoslovakia, Austria, Hungary, United States, Greece, and,

German industries — by their Polish representatives, which is due to the absence of a commercial treaty.

Import, export and all necessary information can be obtained from the Information Office on the grounds.

The admission on the first and last days is  $\text{₤}$  5, and on the week days  $\text{₤}$  4; three day tickets are  $\text{₤}$  10.

At the railway station there is an Information Office open day and night, which arranges comfortable living quarters at prices from  $\text{₤}$  6 to  $\text{₤}$  8.

The Polish State Railways give 66·6 per cent reduction on return tickets from the Fair to any point in Poland, the additional payment for express service being normal.

**POLISH EXHIBITION AT THE VIENNA FAIR.** — Though severely rushed at the last moments, the Polish exhibits were furnished and organised on time for the opening of the Vienna Fair. These Fairs are growing in size from year to year their frequency increased sensibly this year compared with the last.

Vienna knew that Poland exported to Austria three thousand pigs a week; it knew rightly that Poland was an agricultural country; so it was taken by surprise, when the exhibition of manufactures and mineral products outweighed the agricultural show. Austria even found some of its own export specialities, such as wood ware, crockery, beaten in price by the same quality of Polish products.

For each branch of industry and agriculture special pamphlets were prepared: they gave an outline of Poland's resources and production, for the better orientation of business men.

It happened this year that Poland was the only country represented as a unit. The President of the Austrian Republic, Dr. Hainisch, himself officially

opened the Polish exhibition: to mark the good commercial relations between Austria and Poland.

The Polish exhibition was divided into two parts. By the Rotunda stood the Polish Pavilion. In it were grouped the "heavy" articles of export: coal, oil, iron and steel, and their products. The "light" industries were placed in the "Messepalast"; there were agricultural, textile, chemical, crockery, leather, wood manufactures.

A hundred and ten firms in all were represented, and among them were:

Coal concerns: Hohenlohe Works Ltd., Śląskie Kopalnie i Cynkownie Ltd., Sosnowickie Kopalnie i Zakłady Ltd., Henckel von Donnersmarck Beuthen Estates Ltd., Giesche Ltd., "Robur" Ltd., "Progress" Ltd.;

Oil enterprises: Polish State Petroleum Co., Koncern Naftowy Ltd., "Limanowa" Ltd.;

Foundries: Bismarck, Donnersmarck, Royal & Laura Ltd., and the Zieleniewski Ltd. (car and machine factory);

Chemical factories: Azot Ltd., Baron Flieger, Ludwik Spiess & Son Ltd.;

Foodstuffs producers: "Związek Spółdzielni Mleczarskich i Jajczarskich w Warszawie (Warsaw Association of Milk and Egg Cooperatives), Wilski, J. K. Arkuszewski & Co. (starch), Syndykat Plantatorów Chmielu (hops), Przeworskiej Ordynacji Fabryka Serów (cheese factory), "Luban" Ltd. (potatoe products), "Kooprolna" Ltd. (agricultural trade), "Haberbusch & Schiele" Ltd. (United Warsaw Breweries), K. Buszczyński & Sons Ltd. (seeds), "Rektyfikacja Warszawska" (spirit rectification), &c.;

Textile firms: Czczowiczka Brothers, Rudolf Deutsch, Herman Faust & Company, Ludwik Geyer, Widzewska Manufaktur, Krusche & Ender Ltd, Scheibler & Grohman &c.

A large position, little known in Europe, is the bentwood furniture indu-



ONE OF THE POLISH PAVILIONS AT THE VIENNA FAIR

\* See „The Polish Economist” No. 3/1927, page 111 and No. 4/1927, page 154.



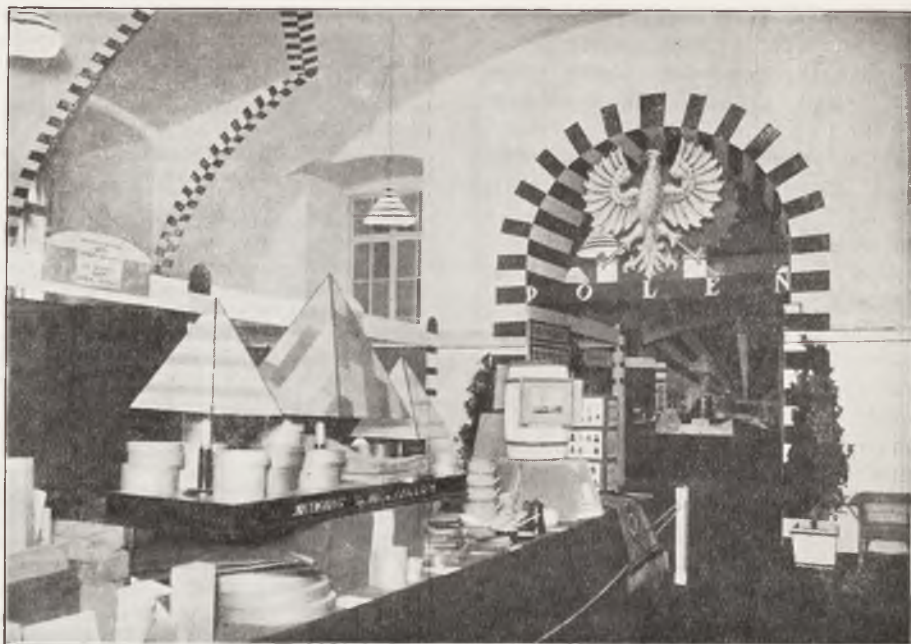
stry, three fourths of the production of which is sold franco New York, at prices lower than those for the American made article. This manufacture was represented by: "Mazowia" Ltd., in Radomsko, "Thonet Mundus" in Bielsk.

In the "kilim" industry there were among others: "Kilim", Olga Lindenbaum &c.

And there were many other firms such as: "Szczałkowska" Ltd. (portland cement), "Pacyków" (crochery factory), Związek Przemysłu Konfekcyjnego (fancy goods), "Wolbrom" Ltd. (rubber). The largest rubber works, the "Pepege" Ltd. had previously arranged for a separate stand at the Fair, and therefore was not included in the Polish unit.

For the next year, a similar exhibition will be made. It is planned not only for Vienna, but also for Milan, Budapest, Lille.

The Polish Pavilion was organised by the Austrian-Polish Chamber of Commerce.



ONE OF THE POLISH PAVILIONS AT THE VIENNA FAIR

## FOREIGN TRADE

### FOREIGN TRADE IN MARCH. —

Poland's trade balance in March closed with gold ₯ 128,306.000 for imports, and gold ₯ 128,736.000 for exports. In comparison with the date for February, the turnover in March increased largely: by gold ₯ 16,315.000 in imports, and gold ₯ 12,342.000 in exports. Thus the greater proportionate increase of imports over exports caused the favourable trade balance to fall from gold ₯ 4,403.000 in February to gold ₯ 430.800 in March. These changes require closer discussion and the material theretofore is in the appended table.

(see page 191)

To begin the discussion by a comparison of trade in March with trade in February, it can be noted that the general increase of imports is spread over all the more important groups. The group of foodstuffs augmented very decidedly, by gold ₯ 6,118.000: thus the import of wheat increased, simultaneously with the decrease of rye imports, and the import of lemons and oranges, nuts, almonds, spices, tea, coffee, cocoa, herrings and other fish also increased. In large measure these imports are reasonable, and were required for the Easter holidays.

The next largest imports were of chemicals, which rose by gold ₯ 4,131.000 these imports consisted mainly of artificial fertilizers. It is important to note that the home production also augmented, for it testifies to the improvement of agricultural methods in Poland.

The remainder, of gold ₯ 6,000.000, is divided among nearly all the other

groups, as was remarked above. The most serious increases in imports were in animal products (mainly skins), zinc ores, scrap iron, agricultural machinery, electrical materials, motor cars and paper. The large group of textile imports did not sensibly change: there were only differences in its composition, such as increase in cotton imports, and a decrease in other raw materials — together with an accretion in fabrics, especially silk fabrics, in ready-made clothes and fancy articles.

The largest exports were timber and woodware: the exports of this group increased by gold ₯ 13,288.000, and are discussed separately. The export of metals and metal products (ores not included) increased by gold ₯ 4,296.000 of which gold ₯ 2,761.000 were for zinc, gold ₯ 637.000 for lead, and the rest for iron and steel products. The augmentation of the pig trade was mainly responsible for the gold ₯ 2,580.000 rise of live animal exports. The export of textiles increased sensibly, by gold ₯ 1,073.000. The most important export group, that of foodstuffs, decreased by gold ₯ 3,298.000, which is explained by the closing of the sugar campaign; henceforth sugar exports will take a secondary place. Exports of meat and eggs rose, and their further rise should be expected. Greater amounts of potatoes were also sent abroad.

A marked decrease was shown in coal and petroleum product exports, which question is treated separately.

Compared with the first quarter of 1926, foreign trade augmented greatly in the corresponding period of 1927: imports rose by gold ₯ 179.939, and exports by gold ₯ 72,795.000. The steady growth of production exchange with abroad, is the ever expected phenomenon, which is so important to Poland, for her trade has been very small in proportion to her territory and population. The limitation of imports, in order to maintain a favourable trade balance and keep up the necessary reserves in the Bank of Poland, could not but rebound on exports, which were also hampered by the customs war with Germany. At present, because of the growth of foreign currency reserves of the Bank, import regulations have been lessened, according to the needs of the wakening economic life. The increase in imports was closely followed by an increase in exports, especially since 1926, when as a result of the customs feud with Germany, Polish exporters unearthed a series of new outlets. The rise of exports did not keep pace with the rise in imports; for this, the poor harvest in 1926, which compelled the purchase of foodstuffs abroad, would sufficiently account. But the time is coming when imports will only be necessary to satisfy current needs and to furnish the means of production, which are necessary for the development of Polish industry: to a certain extent, they are already assuming such a nature.



The augmentation of production imports and consumption imports, which are related to the rise of popular purchasing capacity, may lead to a passing unfavourable balance. In 1926 the phenomenon would have been dange-

rous, by reasons of the insufficient foreign currency reserves in the Bank of Poland; but that it may be dangerous to-day, is out of the question.

The equilibrium of the trade balance is necessary in Poland's economic struc-

ture: it will be assured by the increase in exports, as a result of the rise of production, which imports serve partly to build up; and the equilibrium of the balance of trade will come about, without the necessity of restricting imports.

## I M P O R T S

## E X P O R T S

G O O D S	I M P O R T S			E X P O R T S		
	March 1927	Jan. - March 1927		March 1927	Jan. - March 1927	
	Volume — in tons	1927	1926	Value — in thousands of gold ₯	1927	1926
G O O D S	I M P O R T S			E X P O R T S		
	March 1927	Jan. - March 1927		March 1927	Jan. - March 1927	
	Volume — in tons	1927	1926	Value — in thousands of gold ₯	1927	1926
<b>TOTAL:</b>	<b>412.841</b>	<b>1.105.668</b>	<b>493.100</b>	<b>128.306</b>	<b>347.909</b>	<b>187.970</b>
<b>Foodstuffs</b>	<b>78.704</b>	<b>199.061</b>	<b>57.516</b>	<b>31.874</b>	<b>81.439</b>	<b>39.398</b>
including:						
wheat	19.789	37.147	354	5.932	11.132	112
rye	13.040	37.146	1.295	2.938	8.122	190
barley, oats and maize	4.73	15.251	3.892	920	2.696	697
rice	4.221	10.375	5.020	1.686	4.457	2.057
lemons and oranges	2.449	7.176	5.089	998	2.968	1.992
tea	231	603	491	1.209	3.103	2.353
cocoa	569	1.193	616	1.117	2.201	1.081
coffee	619	1.605	1.619	1.571	4.226	4.487
fish and herrings	14.070	33.123	19.242	4.541	10.888	6.659
edible fats of animal origin	1.064	4.119	1.140	1.646	6.567	2.078
edible fats of vegetable origin	1.169	2.910	1.534	1.453	3.518	2.195
tobacco	1.265	3.995	3.939	1.672	5.209	8.699
<b>Live animals (head)</b>	<b>639</b>	<b>22.672</b>	<b>752</b>	<b>33</b>	<b>231</b>	<b>9</b>
<b>Animal products</b>	<b>3.748</b>	<b>9.662</b>	<b>3.266</b>	<b>8.911</b>	<b>23.585</b>	<b>7.736</b>
including:						
dried skins	1.819	5.056	421	2.86	7.668	638
tanned hides	4.1	1.408	966	3.852	10.194	4.968
<b>Timber and wood ware</b>	<b>1.534</b>	<b>5.091</b>	<b>5.291</b>	<b>642</b>	<b>1.589</b>	<b>755</b>
<b>Plants and seeds</b>	<b>3.818</b>	<b>8.998</b>	<b>5.206</b>	<b>2.139</b>	<b>5.100</b>	<b>3.266</b>
<b>Building materials and ceramic prod.; glass</b>	<b>88.971</b>	<b>260.188</b>	<b>172.973</b>	<b>2.220</b>	<b>6.198</b>	<b>2.744</b>
<b>Fuel and petroleum products</b>	<b>14.577</b>	<b>41.722</b>	<b>23.83</b>	<b>544</b>	<b>1.821</b>	<b>866</b>
<b>Chemicals</b>	<b>9.449</b>	<b>195.676</b>	<b>69.586</b>	<b>17.466</b>	<b>41.694</b>	<b>18.412</b>
including:						
Chilian saltpetre	13.014	26.180	6.208	3.720	7.658	2.238
vegetable fats	2.180	5.894	3.637	2.253	6.034	3.822
animal fats	1.301	3.402	2.641	1.273	3.339	2.404
<b>Ores, metals and metal products</b>	<b>108.441</b>	<b>323.957</b>	<b>124.514</b>	<b>12.221</b>	<b>33.360</b>	<b>12.771</b>
including:						
iron ores	2.815	141.719	61.409	726	2.339	1.413
zinc "	17.754	44.005	16.215	2.858	6.733	1.886
scrap iron	37.669	98.960	23.743	2.055	5.515	1.015
copper and copper products	649	1.816	830	990	2.076	1.463
<b>Machinery, electrical wares, means of communication</b>	<b>4.146</b>	<b>11.730</b>	<b>9.208</b>	<b>12.084</b>	<b>34.576</b>	<b>19.862</b>
including:						
textile machinery	372	916	305	1.132	3.262	814
electrical appliances	875	2.805	2.041	2.962	8.961	3.785
motor cars	352	855	404	1.513	3.705	1.664
<b>Paper, books, and pictures</b>	<b>5.934</b>	<b>16.157</b>	<b>5.314</b>	<b>3.884</b>	<b>10.458</b>	<b>3.427</b>
including:						
waste and rags	2.832	7.766	2.458	1.493	4.308	364
paper and paper wares	1.906	5.294	2.191	1.401	3.740	1.709
<b>Textiles and textile products</b>	<b>11.108</b>	<b>32.189</b>	<b>15.661</b>	<b>31.452</b>	<b>93.922</b>	<b>50.232</b>
including:						
jute	1.848	6.093	1.726	1.502	4.837	2.371
cotton	6.272	17.679	11.306	11.598	35.258	28.506
cotton yarns	216	696	179	1.558	4.978	1.733
" fabrics	115	290	209	1.570	4.064	2.508
wool (combed incl.)	1.823	5.404	1.444	7.993	26.749	8.257
" yarns	167	477	121	2.092	6.273	1.472
silk fabrics	21	50	26	2.144	5.197	2.371
<b>Clothing and fancy wares</b>	<b>76</b>	<b>202</b>	<b>194</b>	<b>1.761</b>	<b>4.211</b>	<b>3.500</b>
<b>Various</b>	<b>335</b>	<b>1.025</b>	<b>503</b>	<b>3.073</b>	<b>9.725</b>	<b>5.052</b>
<b>TOTAL:</b>	<b>1.623.008</b>	<b>5.189.842</b>	<b>2.269.717</b>	<b>128.736</b>	<b>360.909</b>	<b>288.114</b>
<b>Foodstuffs</b>	<b>94.411</b>	<b>298.517</b>	<b>35.812</b>	<b>32.393</b>	<b>90.909</b>	<b>90.077</b>
including:						
wheat	325	1.027	36.048	104	317	9.494
rye	575	2.359	43.206	147	596	7.022
barley	7.348	25.234	32.771	1.722	5.928	5.571
oats	670	2.733	22.393	130	551	3.708
peas and beans	1.197	5.361	11.869	331	1.605	2.965
potatoes	28.403	33.398	14.997	2.152	2.383	439
sugar	15.359	96.707	79.963	6.367	37.977	23.794
meat	4.462	9.248	8.285	6.328	12.346	9.817
butter and cheese	411	1.411	536	1.054	3.356	1.208
eggs	6.632	11.134	8.421	8.982	16.724	11.881
forage	26.277	96.959	61.134	3.902	12.467	5.420
<b>Live animals (head)</b>	<b>115.252</b>	<b>260.100</b>	<b>374.298</b>	<b>7.351</b>	<b>16.247</b>	<b>23.241</b>
including:						
pigs	53.238	114.504	223.358	6.026	13.666	16.283
<b>Animal products</b>	<b>1.523</b>	<b>4.535</b>	<b>6.296</b>	<b>2.672</b>	<b>6.516</b>	<b>6.882</b>
<b>Timber and wood ware</b>	<b>628.172</b>	<b>1573.898</b>	<b>979.962</b>	<b>34.817</b>	<b>79.346</b>	<b>45.725</b>
including:						
pulpwood	81.555	308.848	189.096	2.381	8.895	4.661
pit props	99.493	278.787	171.336	2.511	6.845	3.917
round wood and logs	228.410	426.202	195.706	12.308	20.714	7.742
planks, deals, battens	171.776	436.567	255.673	13.730	33.207	17.540
railway sleepers	17.930	47.477	120.822	1.036	2.399	5.764
veneers	1.830	5.002	4.080	689	1.979	1.459
<b>Plants and seeds</b>	<b>8.976</b>	<b>28.901</b>	<b>17.441</b>	<b>3.722</b>	<b>13.230</b>	<b>7.455</b>
including:						
fodder seeds	5.943	19.610	11.158	2.735	9.889	4.652
<b>Building materials and ceramic prod.; glass</b>	<b>52.211</b>	<b>146.907</b>	<b>31.064</b>	<b>791</b>	<b>2.644</b>	<b>829</b>
<b>Coal, coke, briquettes</b>	<b>754.811</b>	<b>2,890.559</b>	<b>1,663.866</b>	<b>14.781</b>	<b>54.760</b>	<b>30.637</b>
<b>Petroleum products</b>	<b>22.714</b>	<b>86.790</b>	<b>90.380</b>	<b>4.197</b>	<b>16.419</b>	<b>16.413</b>
including:						
petroleum	2.623	14.374	24.596	407	2.281	2.495
motor and lubricating oils	9.251	32.304	36.727	1.114	3.779	3.754
benzine	5.723	20.988	13.799	1.470	5.515	3.886
paraffine wax	1.159	5.221	6.332	801	3.519	4.209
<b>Chemicals</b>	<b>10.896</b>	<b>35.914</b>	<b>38.347</b>	<b>2.208</b>	<b>6.486</b>	<b>5.936</b>
<b>Ores, metals and metal products</b>	<b>42.716</b>	<b>106.005</b>	<b>60.859</b>	<b>16.993</b>	<b>41.023</b>	<b>32.089</b>
including:						
iron and steel; rails	4.961	15.068	1.360	811	2.496	316
" " steel sheets	4.870	13.811	3.008	1.542	4.249	871
pipes	3.583	9.617	4.046	1.296	3.361	1.489
lead	2.019	4.130	3.234	1.398	2.902	2.456
zinc and zinc dust	12.214	27.959	27.846	9.317	21.655	22.194
" sheets	1.247	3.224	1.496	1.148	3.104	1.388
<b>Machinery, electrical wares, means of communication</b>	<b>1.163</b>	<b>2.189</b>	<b>1.781</b>	<b>906</b>	<b>1.873</b>	<b>2.199</b>
<b>Paper, books and pictures</b>	<b>1.352</b>	<b>4.333</b>	<b>4.918</b>	<b>516</b>	<b>1.625</b>	<b>1.667</b>
<b>Textiles and textile products</b>	<b>4.034</b>	<b>11.477</b>	<b>10.814</b>	<b>6.910</b>	<b>19.097</b>	<b>23.004</b>
including:						
flax and hemp	2.733	7.992	7.419	1.313	3.483	4.595
cotton yarns	168	423	704	407	1.283	885
" fabrics	434	1.301	873	2.319	6.846	4.537
wool yarns	127	331	338	1.388	3.584	4.047
" fabrics	39	107	108	501	1.517	1.622
<b>Clothing and fancy wares</b>	<b>22</b>	<b>70</b>	<b>58</b>	<b>282</b>	<b>867</b>	<b>1.220</b>
<b>Various</b>	<b>7</b>	<b>35</b>	<b>119</b>	<b>105</b>	<b>751</b>	<b>740</b>



**PLENARY ASSEMBLY OF THE POLISH - AMERICAN CHAMBER OF COMMERCE.** — Under the presidency of M. Leopold Kotnowski, a Plenary Assembly of the Polish-American Chamber of Commerce, attended by a large number of members, was held on the 10th of March.

The financial reports presented by the Council for the past year were confirmed.

The reports characterised the sixth year of the Chamber's activity as showing a turn for the better, as a period of increasing intensity of mutual Polish-American trade relations, and the foundations for trust and good will. This foresees a new phase of the relations, for which one of the reasons was the ceremonial held in honour of the 150th anniversary of the independence of the United States, together with the sending of a special delegation carrying the good wishes of the Polish nation to President Coolidge, which helped towards knowledge and trust between the two nations.

A vote of thanks was passed to M. Leonold Kotnowski in acknowledgement of the services rendered by him as the President of the Chamber and as a delegate to the United States, for his fruitful efforts in the field of American-Polish relations.

The elections gave the following result: President, M. Leopold Kotnowski; Vice-presidents: Messrs. S. Arct, K. Hejmowski, S. Szumański, A. W. du Bois. To the council were elected: Prince S. Lubomirski, Messrs M. Szejman, S. Butkiewicz, S. Arct, J. Iwanowski, S. Dębczyński, Z. Słuszkiewicz, K. Weychert, F. Kowalewski, A. Roman, P. Drzewiecki, R. H. Alten, H. Sztolcman. To the Revision Committee were elected: Messrs. H. Bisping, C. Łoziński, A. Suligowski, A. Pawłowski, J. Godecki.

## OPENINGS FOR TRADE WITH POLAND

Particulars of any of the under-mentioned offerings may be secured on applying to the Editor, "The Polish Economist", and quoting the respective Ref. No.

The Editor accepts no responsibility for the consequences of the transactions concluded.

**Ref. No. 69:** Polish concern, producing bent wood furniture, kilims, toys &c. seeks foreign buyers.

**Ref. No. 70:** Polish chemical works seeks buyers for potassium chlorate, cerezine, potassium nitrate.

**Ref. No. 71:** Polish factory of edible and commercial gelatine and hide glues is desirous of getting into touch with importers.

**Ref. No. 72:** Bone meal, bone flour, bone glue, oleine, stearine, glycerine offered for export by a Polish concern.

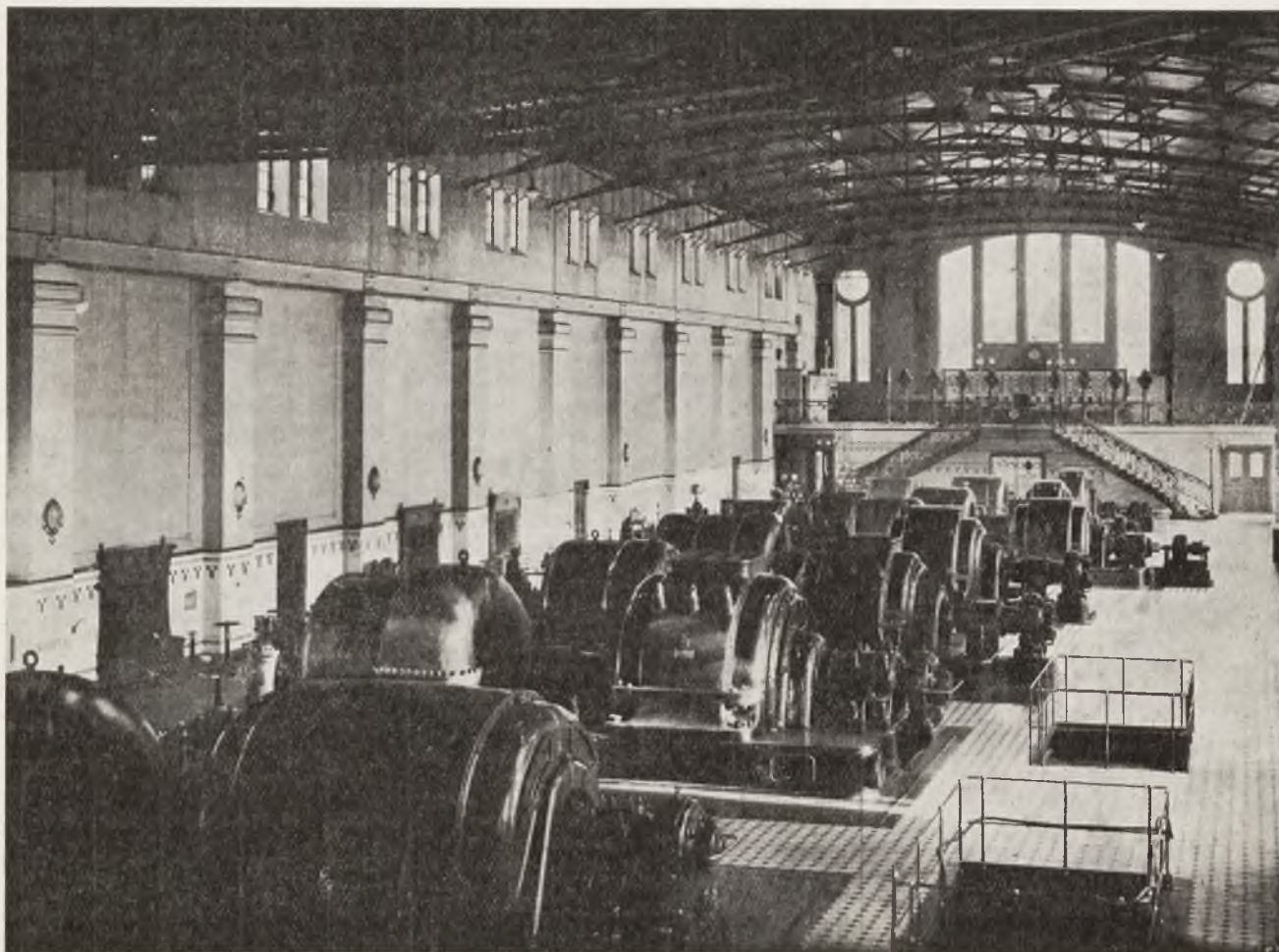
**Ref. No. 73:** Polish bacon factory offers its products for export.

## TREATIES

### THE COMMERCIAL TREATY BETWEEN POLAND AND PERSIA. —

The steady development of Polish economic expansion towards the East — its natural direction — after the successful achievement of some results in the Near East (commercial agreements and new trade relations with Turkey, Greece, Bulgaria and Palestine), has now passed a new milestone in the Middle East.

It is represented by the commercial treaty recently concluded with Persia.



FROM THE ELECTRICAL POWER STATION AT ŁÓDŹ



The first draft of that agreement was signed between the representatives of both parties at Warsaw as far back as March 15th 1925, but it took exactly two years to define the final text of the agreement, which was signed at Teheran by the Polish Minister to Persia, M. Hempel, and the representative of the Persian Government, on March 19th 1927.

The new treaty, save for a few slight differences, is of the usual type of Polish commercial treaty; that is to say, it is with slight modifications based on the most-favoured-nation treatment clause.

Both parties to the treaty hope for its ratification in the shortest possible time. In this connection, M. Hempel returned to Warsaw immediately after having signed the new convention.

Virtually, the treaty will open up new trade possibilities for both countries, for which the agreement affords some facilities. Polish exports to Persia, which have been increasing for the last year or so, even without an official agreement, will be assisted by the better conditions which will obtain. These exports, modest as they have been until now, were in 1926, according to official statistics, valued at over gold  $\text{₹}$  113.3 thousand, of which 80 per cent was in respect of textiles, the balance being (in order of importance) metals and fabrics, machines and apparatus, glass articles, stationery &c.

On the other hand, Persian exports to Poland amounted in 1926 to only about gold  $\text{₹}$  46 thousand, of which sum the main item was animal products (chiefly hides), representing nearly 42 per cent of the total, the rest being: plants, carpets &c.

It is to be hoped that the above mentioned conditions will give new opportunities for the development of the existing trade relations between Poland and Persia, for the mutual benefit of both countries.

**RATIFICATION OF THE RAILWAY AGREEMENT WITH CZECHOSLOVAKIA.** — See in the same issue — "Transports", page 194.

**POSTAL AGREEMENT WITH CANADA.** — See in the same issue "Transports", page 195.

## CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

### ABOLITION OF THE REGULATIONS FORBIDDING THE ADMISSION OF GOODS SAMPLES SENT BY MAIL.

The Ministry of Posts and Telegraphs has instructed the postal customs stations, that for the reception of goods samples, sent in the mails, irrespective of whether the goods are or are not on the list of restricted imports, or whether or not they are free of duty, import permits and certificates of origin are not necessary.

**CHANGES IN EXPORT DUTIES.** — A decree of March 30, 1927 came into force on April 9, and the following change were made in items 234 — 241 of the export customs tariff:

Item	Article	Duty ( $\text{₹}$ per 100 kg.).
234	Slag and ashes:	
	1) containing iron	2
	2) " zinc or lead	10
	3) " tin	200
	4) " copper	60
	Notice: slags and ashes mentioned in item 234 — by permission of the Treasury	free
235	Scrap iron and steel (with the exception of white tin waste)	5
236	Copper	150
	Notice: copper mentioned in item 236 — by permission of the Treasury	free
238	Nickel and aluminium	100
	Notice: nickel and aluminium, mentioned in article 238 — by permission of the Treasury	10
239	Brass, phosphoric bronze, tombak, "argentine" (new silver), britannia metal	100
	Notice: brass, phosphoric bronze, tombak, "argentine" (new silver), britannia metal, mentioned in article 239 — by permission of the Treasury	10
240	Tin	500
241	Lead in the form of old metal and waste	50
	Notice: lead mentioned in article 241 — by permission of the Treasury	free

On goods, mentioned in items 236 (1) and certain parts of items 238 and 240, loaded for export not later than April 8,

1927, duty will not be imposed until April 19 incl.

**CUSTOMS FACILITIES FOR FISHING NETS** were granted in the decree of March 24, 1927 ("Dz. Ust. R. P." No. 31, item 276). The reduced duty is 10 per cent of the normal duty ( $\text{₹}$  250 per 100 kg.), embrace also yarn for the manufacture of nets, and can be utilised on the basis of special separate permits from the Treasury.

Thus it is seen that the daily average of waggon loadings on the Polish State Railways lessened by 322 waggons, and of arrivals from abroad — by 10 waggons; transit traffic augmented, by 101 waggons.

The following statement illustrates the average daily carloadings of the different groups of merchandise dispatched to home stations (in 15 ton waggons):

	Febr.	March
coal, coke and briquettes	3,800	2,605
crude oil and petroleum products	173	169
timber	1,134	1,152
agricultural products	764	945
raw materials and industrial products	1,754	2,123
miscellaneous	2,934	3,331
Total:	10,559	10,325

## TRANSPORTS

### RAILWAY TRAFFIC IN MARCH.

The traffic on the Polish State Railways diminished in March: the average daily movement of 15 ton goods waggons fell from 15.878 trucks in February to 15.647 in March, or by 1.4 per cent. The small decrease, compared with the large lowering of the average daily coal transport demand at home (by 1.195 trucks), and abroad (by 192 trucks), testifies to the intensifying of other branches of trade. And a comparison of data shows the considerable difference in traffic between 1927 and 1926: in the latter year, the average daily movement in March was 11.950, or 30.9 per cent less. The average daily supplies of 15 ton waggons are given below:

	February	March
loaded on the Polish State Railways:	13.996*)	13.674*)
destined for local stations	10.559	10.325
destined for abroad	3.437	3.349
received from abroad	750	740
transit via Poland	1.132	1.223
Total:	15.878	15.647

\*) Together with the loadings in Danzig.

The average daily supply of goods waggons in home transports, decreased from February by 234, in connection with the spring fall of coal demand: the average daily loadings of coal, coke and briquettes diminished by 1.195 trucks, and also those of crude oil and its products, by 4 trucks. The average loadings of industrial goods, however, rose by 369 waggons, and of agricultural articles by 181, due to the commencement of spring field labours; "various" loadings increased by 397.

The following statement gives the average daily car-loadings of goods dispatched to foreign countries (in 15 ton waggons):

	February	March
coal, coke and briquettes	1,864	1,672
crude oil and petroleum products	63	60
timber	1,179	1,262
grain	41	21
miscellaneous	290	334
Total:	3,437	3,349





A RAILWAY JUNCTION NEAR KROLEWSKA HUTA

The average daily car-loadings of export goods decreased, compared with February, by 88. The export loadings of coal fell by 192 waggons, of crude oil and its products by 3, and of grains by 20. The export loadings of timber rose by 83 waggons, and "various" by 44.

#### STATE OF THE ROLLING STOCK OF THE POLISH RAILWAYS.

The poor condition in which the railways were taken over by the Polish Government from the alien rulers in 1918, made the question of increase of the rolling stock one of the most pressing problems facing the administration.

With the view, therefore, of satisfying these demands from the home market, the Ministry of Transport, jointly with the Ministry of Industry and Commerce, made contracts with the five Polish wagon works and the three locomotive factories, for the delivery from 1921 to 1931 of 2,590 engines, 7,800 coaches and 70,400 goods waggons.

The instability of the State finances in 1923, and the reform of the Treasury in 1924, caused a reduction of credits for the above purpose, and it was necessary in consequence to reduce some of the orders, and to postpone others.

Up to January 1, 1927, the State Railways had purchased the following equipment from home factories:

locomotives	208
coaches	496
freight cars	17,584

The purchases from abroad during the same period were:

locomotives	667
coaches	237
freight cars	15,400

Thus, together with the rolling stock left by the occupants and that received from the partitioning powers, the roll-

ing stock amounted on January 1, 1927 to:

locomotives	5,236
( " on hire from abroad 68)	
coaches	11,447
freight cars	146,157
( " " " 13,304)	

The amount of rolling stock in relation to the 17,110 km. of lines in exploitation, gives the following amount per 10 km. of line as compared with Poland's neighbours:

State Railways	Locomotives	Coaches	Freight cars
Polish	3.0	6.6	85.4
German	8.3	16.6	132.0
Austrian	5.0	13.1	59.3
Czechoslovakian	4.3	11.2	12.3

It will be seen from the above that the equipment of the Polish railways is lesser in number than that of her neighbours.

Since, however, the density of traffic is more pertinent for the calculation of rolling stock requirements, a comparative table of the density per 1 km. of Polish and neighbouring railways in 1925 is given below:

	passenger—km.	ton—km.
Poland	378,000	652,000
Germany	921,000	1,032,000
Czechoslovakia	788,800	495,000

The figures show that the density of passenger traffic in Poland is smaller than in Germany and Czechoslovakia, thus permitting the use of a smaller number of coaches. But the density of freight traffic is greater in Poland than in Czechoslovakia, while the number of freight cars is less.

#### RATIFICATION OF THE RAILWAY AGREEMENT WITH CZECHOSLOVAKIA.

In connection with the ratifi-

cation of the trade agreement between Poland and Czechoslovakia, the ratification of the railway tariff agreement between the two countries has been published. The latter agreement embraces the following matters:

It assures tariff reductions for coal exported from Poland to Czechoslovakia, and likewise for coal in transit through that country to Austria, Hungary, Italy and Switzerland. It decides the railway tariff for export of petroleum products and aspen wood to Czechoslovakia, and for their transit to further countries; also for the transit of rolling mill products, zinc and zinc sheets, cement, salt, nitrate and live animals. Lastly, it assures facilities for the transit through Poland to Czechoslovakia: of grain, aspen wood and live stock.

For transport in the opposite direction, the agreement foresees reductions: in the charges for the delivery and transit through Poland of coke, crockery and glass, iron products, machinery, beer, wine, fruit, skins and malt. Both nations are bound to apply to interstate traffic the tariff reductions, which are applied within the country to transports for Gdynia and river ports.

Lastly, the agreement requires the railway authorities of both parties to draw up, within the shortest possible time, through tariffs, and also to regulate the traffic.

#### PORT TRAFFIC IN MARCH 1927.

March, the first month of spring, witnessed marked activity in both the ports of Danzig and Gdynia. Steamer departures, at least from the point of view of their tonnage, nearly equalled the two record months for the last year, July and August, by reason of the augmentation in Polish trade, and because Polish merchants are becoming more acquainted with the conditions of shipping. Another cause lies in the activity of the first Polish steamship companies. The development of the ports is aided by the policy of the Government which has lately brought about new railway tariff facilities.

In Danzig the number of arrivals and departures increased considerably, the figures being: arrivals 585, departures 591 (February 457 and 423 respectively), aggregating 316,207 reg. tons (February 217,876) and 341,947 reg. tons (February 246,637) respectively. From the above statement it may be seen that the export traffic increased most significantly of the goods shipped from that port; coal, as of old, played a considerable part being 291,763 tons, mainly for Sweden and Denmark.

The nationality of the ships calling at Danzig was the following:



	<i>Arrivals :</i>		<i>Departures :</i>	
	<i>ships</i>	<i>reg. tons</i>	<i>ships</i>	<i>reg. tons</i>
Poland & Danzig	49	20.951	59	26.783
Germany	202	87.463	204	94.818
Finland	1	2.903	2	2.983
Russia	—	—	1	2.443
Esthonia	2	742	4	2.892
Latvia	15	9.587	18	10.634
Lithuania	1	82	—	—
Sweden	151	78.094	153	80.318
Norway	25	12.587	24	13.441
Denmark	89	42.536	75	49.139
England	32	44.136	31	39.864
Holland	8	4.938	8	4.938
France	7	7.692	8	7.932
Italy	1	2.055	1	2.055
Greece	1	1.855	—	—
United States	—	—	1	3.423
Brazil	1	586	—	—
Austria	—	—	2	284
Total :	585	316.207	591	341.947

In the port of Gdynia the movement of ships increased in comparison with February, and all the more so, in proportion to March of last year. The arrivals were 33, with 24.842 reg. tons (in February 21, with 14.288 reg. tons), and the departures — 30, with 22.916 reg. tons (in February 22, with 15.246 reg. tons). The main article of export was coal, which aggregated 45.624 tons (in February 32 415 tons), and in addition 528 tons of sawn timber. 671 passengers departed from Gdynia (in February 401).

The nationality of the ships which called at Gdynia was the following:

	<i>Ships</i>
Poland & Danzig	5
Sweden	11
France	3
Denmark	3
Latvia	3
Germany	3
Esthonia	2
Total :	30

**THE NATIONAL MERCANTILE MARINE COMMITTEE** was called into being by the decree of February 16, 1927 (*"Dz. Ust. R. P."* Nr. 27, item 206), in order that the various institutions, circles and individuals, interested in Polish merchant marine, might coordinate their activities. The new committee is intended for the propagation of maritime matters, and the raising of donations for a marine fund.

**AERIAL COMMUNICATION IN MARCH.** — The service increased in intensity, the natural result of improved atmospheric conditions.

The number of flights rose from 221 in February, to 275 in March: 10 flights per mean day. The mileage was 79.075 km. (in February 63.895 km.), the average

daily mileage 287 km. The number of passengers carried was 510, the weight of goods 12.937 kg. and of mail 183.810 kg.

The machines were able to make, in March, 86 per cent of their scheduled flights.

**POSTAL AGREEMENT WITH CANADA.** — The Canadian and Polish postal authorities have concluded an agreement, for the direct and regular exchange of parcels by post.

The permitted parcel weight is 8 kg.; the maximum dimensions allowed are a cube having a side of 110 cm.

In delivery from Poland to Canada, the sender should attach to every parcel: a customs declaration, a statistical form, and a declaration of value.

The parcel post is carried by sea from Danzig to Halifax. Two steamship lines have agreed to maintain 3—4 direct services per month on this route.

**A NEW PARCEL POST ROUTE TO DENMARK** has been arranged through Danzig by sea to Copenhagen. The mail on this route leaves once per week, and often 3—4 times per week. Parcels sent by this route may have a maximum weight of 20 kg.

Routing by this new line is treated, for the time being, as secondary, and parcels will be directed thereon only by the express wish of the sender.

## FINANCE AND BANKING

**REVENUE AND EXPENDITURE IN MARCH** were as indicated by the below table (in million  $\text{zł}$ ):

(table — see next page).

In 1927, the fiscal budgetary year was changed: to begin from April 1st, instead of from January 1st. And the change was made, in order that the statutory bodies might have three months, in which to make the budget for the ensuing year. Before, in the first three months of the commencing year there was no budget, only provisional allotments, the apportioning of which caused an additional complication, and made proper administration impossible.

In February, expenditure was about  $\text{zł}$  160 million, and in March it was  $\text{zł}$  222.7 million. The 100 per cent increase was made in nearly all the branches

of the Civil Service; but especially in the Ministry of Land Reform, where the non-expended sums were transferred to the capital of the State Agricultural Bank.

But despite the large expenditures, March was closed with a surplus of revenue, owing to the great revenues which flowed into the Treasury.

The revenues from the largest sources those of monopolies and public taxes, are treated separately. Here need be mentioned only the revenue from State enterprises, which were  $\text{zł}$  14.8 million; the railways gave  $\text{zł}$  10 million, and the Posts and Telegraphs supplied the  $\text{zł}$  8 million.

The surplus of revenue over expenditure was  $\text{zł}$  25.4 million. The budgetary

year commences with April 1; therefore the revenue and expenditure for 1926/7, as compared with the budget for 1927/8, are given in the following statement (in million  $\text{zł}$ ):

	<i>Revenue</i>	<i>Expenditure</i>	<i>Surplus of expenditure</i>
Actual in 1926/7	2.139.4	1.984.2	155.2
Estimated in the budget for 1927/8	1.990.5	1.988.3	2.2

This table reveals the care which was taken that there might be no danger of an unfavourable balance: for the expected revenues are given as smaller than for 1926/7, despite the continuous increase therein, and the expenditures are made no larger.



	Revenue	Expenditure
A) Civil service ... ..	160.6	221.8
The President of the Republic ...	—	0.4
The Parliament... ..	—	0.9
State Control ... ..	—	0.4
Council of Ministers . . . . .	—	0.2
Ministry of Foreign Affairs ... ..	1.6	1.7
" " War . . . . .	1.5	70.1
" " the Interior ... ..	1.2	20.5
" " Finance .. . . .	132.3	12.6
" " Justice ... ..	4.2	7.8
" " Industry and Commerce.	0.3	3.1
" " Transport ... ..	—	0.4
" " Agriculture ... ..	2.6	4.3
" " Religious Cults and Edu-		
cation . . . . .	1.3	29.3
" " Public Works . . . . .	3.5	13.1
" " Labour and Social Pro-		
tection ... ..	0.2	11.6
" " Land Reform . . . . .	10.1	22.2
Pensions .. . . .	1.8	2.3
Grants to Invalids ... ..	—	8.0
State liabilities .. . . .	—	12.9
B) State Enterprises . . . . .	32.9	0.9
C) Monopolies . . . . .	54.6	—
Total A + B + C:	248.1	222.7

**TAXES IN MARCH.** — The revenue from taxes and monopolies in March were  $\text{₹} 182.9$  million or  $\text{₹} 41.7$  million more than in February. So the steady rise of revenue in 1926, continues in the present year, as is most clearly seen from the following statistics (in millions of  $\text{₹}$ ):

April	1926	119.0	October	1926	151.1
May	"	121.1	November	"	163.5
June	"	122.7	December	"	190.6
July	"	134.8	January	1927	158.7
August	"	132.4	February	"	141.2
September	"	137.1	March	"	182.9

It is seen that for March 1927 the revenue was greater than for any period in 1926, with the exception of December, in which month there was a special influx from the industrial tax. In comparing March with the same month in previous years, a similar picture is seen in the following table (in millions of  $\text{₹}$ ):

March	1924	₹ 93.8 million
"	1925	" 100.7
"	1926	" 102.8
"	1927	" 182.9

Since a new fiscal year, beginning with April 1st has been created, the revenue from preceding years and the budget planned for 1927/8 are given below (in millions of  $\text{₹}$ ):

1924/5*)	actual revenue	1,300.5
1925/6*)	"	1,335.2
1926/7*)	"	1,755.1
1927/8*)	budget estimate	1,688.1

\*) April 1st — March 31st.

The large rise of revenue is a factor of improved economic conditions, and of greater efficiency in the administration. And it can thus be said that the revenue projected in the 1927/8 budget is altogether real.

In March 1927 there was a large increase in revenue from direct taxation, which was  $\text{₹} 59.4$  million compared with February  $\text{₹} 32.6$  million, and March 1926  $\text{₹} 25$  million. The more important items were as compared with 1926:  $\text{₹} 19.6$  million from the ground tax, against  $\text{₹} 3.0$  million;  $\text{₹} 17.6$  million from the industrial tax, against  $\text{₹} 9.6$  million; and  $\text{₹} 11.2$  million from the income tax, against  $\text{₹} 6.2$  million.

The revenue from stamp fees increased by 60 per cent, and was  $\text{₹} 16.2$  million.

The revenue from customs was  $\text{₹} 27.4$  million, against  $\text{₹} 14.9$  million in 1926. The large rise was a result of increased economic activity, and cannot be considered as beneficial for the trade balance.

Indirect taxes remained on their former level and were only 20 per cent greater than last year.

The returns from the 10 per cent supertax increased, together with the general rise of state revenues, and for

the nine month period were  $\text{₹} 43.5$  million. Although the extraordinary property tax returns had a downward tendency, they were  $\text{₹} 4.8$  million in March, and  $\text{₹} 68.1$  million for the whole budgetary year 1926/7.

The revenue from monopolies was slightly lower than in December 1926, but in general it kept to one level.

The returns for March were the following (in millions of  $\text{₹}$ ):

	Actual revenue: March: 1926      1927      February 1927		
Direct taxes	25.0	59.4	32.6
Indirect taxes	10.0	12.2	12.1
Customs duties	14.9	27.4	17.4
Stamp fees	10.2	16.2	13.2

Total of the ordinary public revenues:	60.1	115.2	75.3
Property tax	3.1	4.8	4.5
10 per cent extra-ordinary tax	—	8.3	5.7
Monopolies	39.6	54.6	55.7

Total of public levies and monopolies:	102.8	182.9	141.2
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## STOCK EXCHANGE

### FOREIGN CURRENCIES

— The Złoty, in relation to other strong currencies, showed an upward tendency during March. Drafts on New York fell by 2 grosz to the Dollar; accordingly other high valued or stabilised currencies, such as the Austrian, Belgian and Czechoslovakian, also fell. Owing to the able policy of the Bank of Poland, the Złoty fluctuated neither on the home nor on foreign markets. For some time the demand for Złoty on foreign exchanges, especially in Berlin, has been rising.

Of the European currencies, the Lira rose to  $\text{₹} 1.80$  for Lir 100; and the French Franc has been stable for a considerable period. In March the sales of foreign currencies on the Warsaw Stock Exchange for industrial and trade needs were 40 per cent more than in February. A part of this increase can be accounted for by the fact that March has three more days than February; the remainder, of the increase, mainly in the latter half of the month, consisted, for the most part, of payments abroad for imported raw materials, principally for the textile and metallurgical industries.

There was no activity on the private money market, the rates on which did not differ from those quoted officially.



		28.2	1—5.3	7—12.3	14—19.3	21—30.3	31.3	par value
<b>Warsaw Exchange</b>								
London	£ 1	43'51	43'52	43'53	43'55	43'53	43'47	25'22
New York	\$ 1	8'95	8'95	8'95	8'95	8'94	8'93	5'19
Paris	Fr. Fr. 100	35'12	35'09	35'10	35'13	35'12	35'09	100'—
Brussels	Belg. 100	—	—	—	124'76	124'71	—	100'—
Zurich	Sw. Fr. 100	172'52½	172'50	172'56	172'57	172'42	172'17½	100'—
Milan	Lir. 100	39'30	39'40	39'80	40'97	41'13	41'10	100'—
Amsterdam	Fl. 100	358'95	359'16	358'99	359'01	358'60	358'10	208'32
Vienna	Sh. 100	126'30	126'25	126'25	126'20	126'06	125'94	72'93
Prague	Kcz. 100	26'57	26'57	26'57	26'57	26'55	26'51	105'01
Stockholm	Kr. 100	—	—	—	—	240'20	—	138'89
<b>Foreign Exchanges</b>								
London	£ 1	43'50	43'50	43'33	43'50	43'50	43'50	25'50
New York	₤ 100	11'37	11'37	11'37	11'37	11'40	11'40	11'75
Zurich	₤ 100	58'—	58'—	58'—	58'08	58'—	58'—	100'—
Vienna	₤ 100	78'95	78'98	78'88	78'82	78'81	78'90	137'13
Prague	₤ 100	376'—	376'16	376'28	376'88	376'34	377'50	651'—
Berlin	₤ 100	47'05	47'03	47'06	47'02	46'99	47'13	81'—
Danzig	₤ 100	57'58	57'55	57'61	57'55	57'46	57'68	99'108

## SHARES

In the preceding period, beginning with January, 1927, the appreciation in the prices of shares was so swift that it was obvious that a slackening off would soon be noticeable. During March the indications of an upward tendency were still manifested, but to a far lesser degree than heretofore.

Bank of Poland shares advanced a further 15 per cent. The greatest increase was in respect of shares of the Bank Handlowy and Bank Zjednoczonych Ziem Polskich, which rose by 30 per cent. Negotiations for the amalgamation of these two institutions are approaching their conclusion. Increased interest was also shown in the shares of the Bank Zachodni and the Bank Związku Spółek

Zarobkowych, which appreciated by 25 per cent. The shares of the Bank Dyskontowy Warszawski appreciated by a further 25 per cent, reaching 30 per cent above par. These shares have been converted into Złoty at the rate of eight Mark shares for each new share valued at ₤ 100. The bank's balance for last year was very favourable, for, in addition to paying a dividend of

Industrial shares	28.2	1—5.3	7—12.3	14—19.3	21—30.3	31.3	Nominal
Bank Polski .....	108'67	108'92	122'71	128'47	124'26	131'75	₤ 100'—
Bank Dyskontowy Warszawski .....	13'15	15'15	16'93	16'57	125'97	120'—	₤ 100'—
Bank Handlowy w Warszawie .....	5'52	5'44	6'45	6'63	6'70	7'08	Mk. 1,000'—
Bank Zachodni .....	3'17	3'14	3'73	3'70	3'72	3'95	Mk. 540'—
Bank Zjedn. Ziem Polskich .....	2'23	2'23	2'69	2'66	2'69	2'85	Mk. 1,000'—
Bank Zw. Sp. Zarobkowych .....	13'63	14'14	16'43	16'30	15'07	16'75	Mk. 1,000'—
Warsaw Coal Mining Co. ....	90'50	93'30	103'66	99'92	91'21	96'75	₤ 100'—
Chodorów .....	—	115'—	116'—	118'10	117'—	—	₤ 100'—
Cegielski .....	37'75	35'57	36'79	36'11	33'56	—	₤ 50'—
Zieleniewski .....	17'75	17'95	18'25	18'60	17'50	—	Mk. 1,000'—
Norblin, Buch Bros. & T. Werner .....	121'50	122'31	129'58	136'81	133'18	—	₤ 100'—
Starachowice .....	2'83	2'85	3'03	3'03	2'87	3'05	Mk. 500'—
Lilpop, Rau & Loewenstein .....	22'92	23'67	24'88	23'86	22'22	23'50	₤ 25'—
Ostrowiec .....	17'93	17'28	16'12	16'85	82'81	82'—	₤ 50'—
Modrzejów .....	7'43	7'41	7'85	7'57	7'22	7'93	Mk. 500'—
Rudzki .....	1'64	1'64	1'75	1'72	1'58	1'68	Mk. 500'—
Warsz. Sp. Akc. Budowy Parowozów .....	0'99	0'90	0'91	0'88	0'84	0'86	Mk. 500'—
Żyrardów .....	18'42	17'80	18'05	16'68	15'79	17'60	Mk. 540'—Rb. 250
Zawiercie .....	39'17	35'77	35'61	33'95	31'76	34'83	Mk. 6,000'—
Standard Nobel .....	3'65	3'88	4'38	4'67	4'30	4'53	Mk. 1,000'—
Ł. J. Borkowski (Elabor) .....	2'32	2'37	2'60	2'73	2'57	2'85	Mk. 216'—
Wysoka .....	6'—	7'35	8'—	7'—	6'16	7'—	Mk. 1,000'—
Siła i Światło .....	99'—	90'20	97'29	96'04	93'33	96'75	₤ 50'—



eight per cent, £ 440,000 was placed to reserve and special reserve while £ 160,000 was carried over to the present year.

Metallurgical shares were inconsistent; some appreciated by 2 to 10 per cent (Norblin appreciated most, Lilpop least), others, formerly bought up abroad and now somewhat neglected (Ostrowiec and Parowozy), depreciated by 2 to 14 per cent, in reality losing a portion of the gains from former periods. The Ostrowiec Złoty shares were quoted on the official exchange, at the rate of five Mark shares to one fifty Złoty share. In spite of its depreciation, Ostrowiec was £ 32 or 60 per cent above par.

The textile shares, and the shares of Wysoka and Siła i Swiatło, depreciated owing to a temporary augmentation of

supply, by 2 to 14 per cent. Of the remaining, Standard-Nobel and Borkowski shares stood firm, and were quoted at 25 per cent more than in February, while the Warsaw Coal Mining Company appreciated by 7 per cent.

#### STATE, CITY AND LAND LOANS

The buying of State securities as a means of investment, continued in March. The lowering of the rate of interest contributed considerably to the activity of Government bonds.

The quotations for the 5 per cent Dollar Premium Loan rose by 8 per cent. Eager demand was shown for the 8 per cent mortgage bonds placed on the market by the Bank Gospodarstwa

Krajowego and the Państwowy Bank Rolny. Larger amounts of the latter bank's 8 per cent bonds were sought in vain. The 10 per cent Railway Loan advanced by a further 1.5 per cent, to 3 per cent above par. The 8 per cent Conversion Loan no longer appears on the market, since within six months it will be redeemed by the Treasury.

Private investment securities were unsettled in the period under review. Land loans appreciated by 7 per cent, while the 5 per cent and 4.5 per cent Warsaw Credit Association bonds did not change. The 8 per cent mortgage bonds of this institution depreciated by 7 per cent. The emission of these bonds is constantly augmenting, as city property owners are constantly contracting loans.

State, Municipal & Land Loans	28.2	1—5.3	7—12.3	14—19.3	21—30.3	31.3	Nominal
8% Internal Gold Loan (conv. 1925) . . . . .	98.25	98.—	98.—	—	98.—	—	Gold £ 100.—
5% Conversion Loan . . . . .	60.13	59.95	61.25	60.96	58.66	60.25	£ 100.—
6% External Dollar Loan 1920 . . . . .	85.—	85.—	84.32	84.67	84.79	84.63	\$ 100.—
5% Premium Dollar Loan Series II . . . . .	48.63	46.67	49.60	51.40	50.55	52.25	\$ 5.—
10% Railway Loan (1st series) . . . . .	101.50	101.40	101.96	101.75	102.91	103.—	Gold fr. 100.—
8% Bank Gospodarstwa Krajowego Bonds . . . . .	85.—	85.—	85.—	85.—	85.22	86.—	Gold £ 100.—
8% State Agricultural Bank Bonds . . . . .	85.—	85.—	85.—	85.—	85.17	85.75	Gold £ 100.—
4% Land Credit Association Bonds . . . . .	—	46.—	47.68	49.75	48.50	—	£ 100.—
4% Land Credit Association Bonds . . . . .	52.25	52.32	54.02	55.05	54.14	55.62	£ 100.—
8% Credit Soc. of the City of Warsaw Bonds . . . . .	80.—	74.62	74.39	76.27	74.41	73.88	£ 100.—
5% Credit Soc. of the City of Warsaw Bonds . . . . .	61.63	61.24	61.91	61.60	60.25	61.13	£ 100.—
4% Credit Soc. of the City of Warsaw Bonds . . . . .	—	56.11	57.69	56.52	54.92	—	£ 100.—

**COST OF PASSPORTS.** In 1925, during the economic crisis, the limitation of freedom of foreign travel was one of the means used to assure the equal balance of payments. The limitation was only indirect, by the high cost of foreign passports.

These regulations were several times changed or added to in the ensuing years.

By reason of an economic improvement in the country, the regulations were now revised, thus, there appeared, on March 21, 1927, a new decree which kept the nominal passport cost the same, but broadened the scope for reductions of the charges. Also the formalities connected with the granting of passports were simplified; the costs of passports are the following:

- a) passports for one voyage £ 500
- b) " " unlimited voyages . . . . . " 1,500
- c) special one voyage passports " 20
- d) " unlimited " " 150
- e) seamen's passports . . . . . 3

Special facilities may be granted to persons going abroad:

1) for proven trade or industrial purposes,

2) for purposes of health, if the persons are not well to do,

3) for educational purposes,

4) for the purpose of taking part in international conferences, sport, educational meetings &c.

The departures of emigrants, long time or seasonal, are regulated separately.

**INCREASE OF THE CAPITAL OF THE "BANK GOSPODARSTWA KRAJOWEGO".** — The "Bank Gospodarstwa Krajowego", established by the Government in 1924, for the purpose of creating credit reserves for the country's economic life, in particular for the organisation of long term credits for industrial, communal, building and other investments, had up to the present time a capital of £ 40,000,000, which it has at present decided to augment to £ 100,000,000. The National Treasury will subscribe £ 60,000,000, in consideration of which — in accordance with statutory authorisation (decree of the President of the Republic of March 4, 1927, "Dz. Ust. R.P." No. 20, item 150) — it will receive from the "Bank Gospodarstwa Krajowego" a loan of the Bank's communal obligations to the amount of the whole sum subscribed.

**THE INVESTMENT OF TRUST FUNDS HELD ON BEHALF OF MINORS &C.** — The investing of trust funds (pupillary securities) in the possession of legal entities (communal bodies, insurance companies, &c., trust foundations, non independent persons, minors &c.) and physical and juridical persons, whose possessions for whatsoever reasons are in the hands of trustees, is, in view of the character of these funds, regulated by separate paragraphs of the law.

The above cases have so far been regulated by 3 decrees, announced at the end of December, 1924 ("Dz. Ust. R.P." Nr. 105, item 953 Nr. 106, item 959, and Nr. 117, item 1045), which differentiated between the funds employed for current disbursement and expenses, and those which, in the strict meaning of the word, are treated as capital and can be invested in long-term mortgages &c.

In connection with this differentiation, the above decrees dealt separately with the investing of the funds for current expenses and capital.

At present the Ministry of Finances has worked out a plan for a new decree, which will combine the three above decrees into a single whole, and, while still maintaining the differentiation of funds, will regulate their invest-



ment. The plan of the decree, requires that the investment of capital by physical and legal persons, be effected in a manner assuring trustee (pupillary) security, by which are understood:

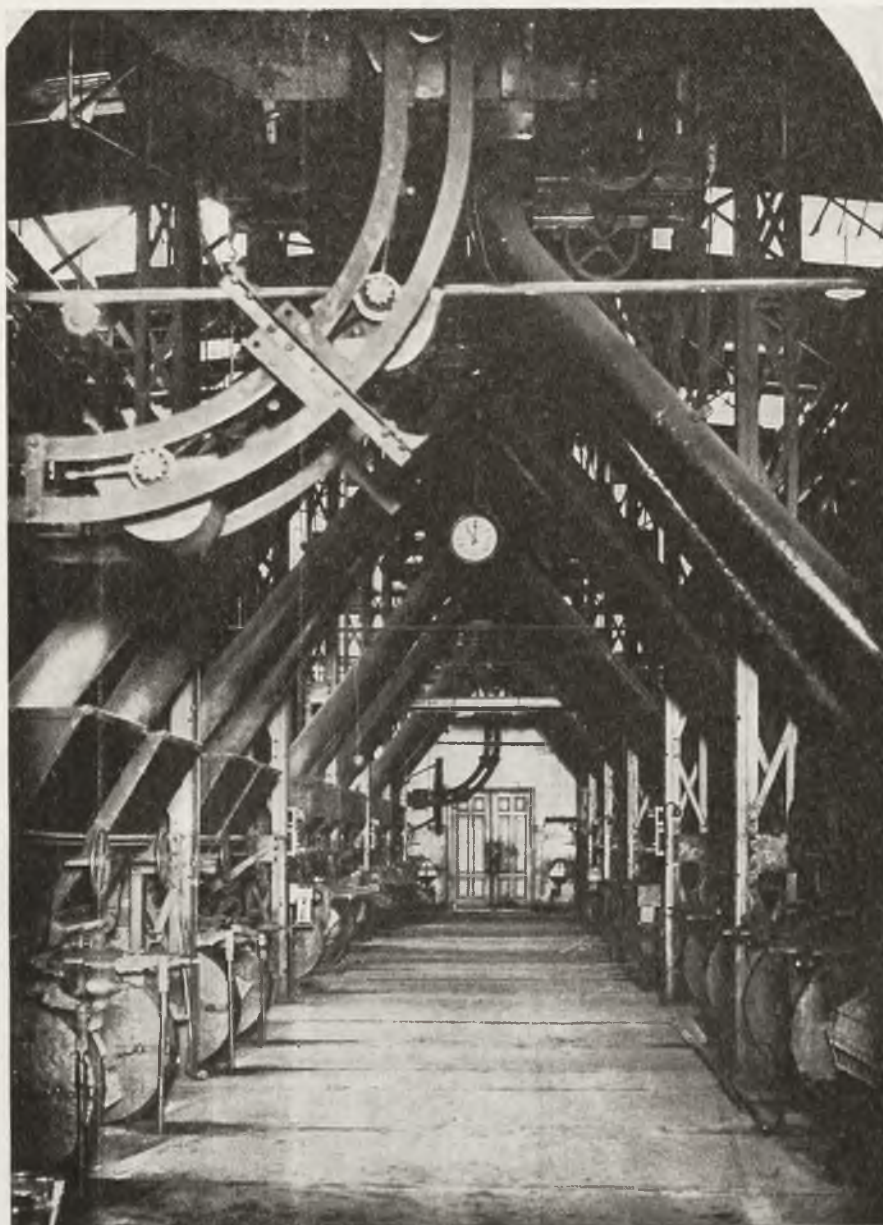
- 1) the purchase of real property within Poland,

bonds, having pupillary security, or which may in the future acquire such rights by statute.

The decree further states that capital security, in the meaning of article 2 and 4, is legal (pupillary) only in the case when the loan sum, with any

on real property, or the purchase of the latter by legal entities, will be allowed only on the basis of an arrangement between the responsible Minister and the Treasury,

- 2) the purchase of bonds shall be made through institutions chosen by



BOILER HOUSE OF THE ŁÓDŹ ELECTRICAL POWER STATION

- 2) the grant of loans against mortgages on real property within Poland, or against such mortgages guaranteed by legal securities (pupillary),

- 3) the purchase of Government bonds, or of bonds guaranteed by the Government.

- 4) the purchase of long-term mortgage bonds, issued against security,

- 5) the deposit of capital in banking institutions and the opening of savings account books, which, by force of district regulations, enjoy the rights of

anterior debt, does not surpass, in the case of an urban mortgage, one half of its real value, or in the case of a rural mortgage — two thirds of its real value.

In addition, by reason of the fact that, due to their nature, the capital of legal entities should be invested in a manner excluding all risk, assuring in case of need its quick withdrawal, and that the investment of these funds should afford profit to the whole nation, the Treasury foresees in its plan that:

- 1) the grant of loans against mortgages

the Treasury, and according to regulations of this Ministry.

The way of effecting purchases, presented in the plan, will result in the concentration of the means belonging to legal entities, often operating large funds, and will allow on the one hand the efficient strengthening, by necessary investment credit, of the various economic branches of the country, and on the other hand will contribute to the re-building of long-term credits, creating a sales outlet for bonds and goading to more intense activity the long term credit institutions.



**FOREIGN REMITTANCES TO POLAND IN 1926.** — In 1926, the foreign remittances to Poland were: \$ 17,599.641;

Fr. Fr. 61,586.850; £ 42.416; and ₯ 2,841.985. They were lower than the receipts in 1925, which were: \$ 18,511.653; Fr. Fr. 43,531.408;

£ 62.636; and ₯ 7,838.043. The differentiations, according to nations, origin of expedition, kinds, and months, is given below:

Months	From the United States of America and from Canada			From France		From England	From other countries
	through banks and steamship lines	money orders	draft and cheques	through banks	money orders	through banks	remittances
	\$			Fr. Fr.		£	₯
January . . . . .	785 437	550.453		13.200	3,813.000	4.657	301.211
February . . . . .	922.287			27.200	3,307.000	2.489	281.507
March . . . . .	1,668.969			37.300	5,343.000	5.266	270.310
April . . . . .	894.118	347.590		59.999	4,557.000	2.390	219.873
May . . . . .	742.000			49.000	4,364.000	2.143	157.000
June . . . . .	1,009.632			61.250	4,032.000	2.432	101.206
July . . . . .	720.860	377.405		24.420	5,170.000	4.157	284.753
August . . . . .	778.460			13.190	4,413.000	4.269	192.716
September . . . . .	671.650			19.900	5,752.000	4.718	229.848
October . . . . .	565.474	532.672		40.000	6,288.000	1.702	189.839
November . . . . .	798.613			15.000	6,506.000	3.747	288.257
December . . . . .	714.021			15.400	7,659.000	4.446	325.465
TOTAL 1926 :	10,371.521	1,808.120	5,400.000	375.850	61,211.000	42.416	2,841.985
TOTAL 1925 :	10,608.489	2,498.168	5,400.000	1,188.652 and \$ 4.896			



A PORTION OF THE SILESIAN "UNITED ROYAL & LAURA FOUNDRIES" (PHOT. S. PLATER).

## BANK OF POLAND

— In March the rate of increase of bullion and foreign currency reserves

diminished, and a slight fall was noticeable at the end of the month. So these reserves, for the whole month, only augmented by gold ₯ 15.7 million, while

in February and January the figures were gold ₯ 39.2 million, and gold ₯ 31.6 million respectively.

The gold reserve increased in March



from gold  $\text{zł}$  148.8 million to gold  $\text{zł}$  151.6 million, primarily owing to the purchase of \$ 1/2 million of gold abroad. The silver reserve rose from gold  $\text{zł}$  0.4 million to gold  $\text{zł}$  0.5 million. The general bullion reserve rose by gold  $\text{zł}$  2.8 million making a total of gold  $\text{zł}$  152.0 million.

The currency reserves in March increased from gold  $\text{zł}$  186.0 million to gold  $\text{zł}$  198.5 million; the increase was caused by the augmentation of the gross foreign currency and draft reserves from gold  $\text{zł}$  220.1 million to gold  $\text{zł}$  234.6 million, and by the rise of the currency obligations of the Bank from gold  $\text{zł}$  34.1 million to gold  $\text{zł}$  35.8 million.

In March the purchases of foreign

Government institutions took gold  $\text{zł}$  22.1 million.

The state of the bullion and foreign currency reserves on the last day of March, as compared with their state on the last day of February, was as follows (in millions of gold  $\text{zł}$ ):

	February 28th	March 31st
gold	148.8	151.6
silver	0.4	0.5
foreign currencies and exchange	186.0	198.8
Total:	335.2	350.9

The circulation of bank notes increased by  $\text{zł}$  34.9 million in March, and on the

was caused not only by the increase of cover, but also by the rise of the Bank's credit.

The amount of bills in portfolio augmented only slightly in February, but even less in March, rising only from  $\text{zł}$  329.1 to  $\text{zł}$  351.9 million. And so the very low rate of discount credits rose slightly from 68 per cent to 73.4 per cent, and the credits granted in March increased from  $\text{zł}$  484 million to  $\text{zł}$  494 million. Loans against securities rose in March from  $\text{zł}$  10.8 million to  $\text{zł}$  13.0 million. The Treasury debt (in respect of the  $\text{zł}$  50 million non-interest bearing credit) remained unchanged

	FEBRUARY 28th		MARCH 10th		MARCH 20th		MARCH 31st	
<b>Assets:</b>								
Bullion:								
Gold in bars and cash	148,818.071.32		151,468.629.02		151,505.725.45		151,550.825.66	
Silver " " "	406.839.—	149,224.910.32	430.728.96	151,899.357.98	448.545.35	151,954.270.80	491.033.82	152,041.859.48
Foreign balances — — —		220,098.021.78		234,754.282.97		236,343.499.29		234,591.712.79
Exchange difference on currency a/c. — — —		165,083.343.56		170,573.550.63		174,268.486.71		171,544.814.87
Silver and token coins —		6,261.061.38		17,163.426.32		14,933.347.24		1,863.843.54
Bills of exchange — — —		329,109.880.48		335,043.636.57		344,538.773.46		351,898.063.44
Loans against securities —		10,797.430.14		11,519.077.64		12,156.427.74		12,971.801.42
Report — — — — —		28,848.592.—		29,111.992.—		28,236.450.—		27,991.450.—
Interest-bearing securities discounted — — —		284.296.71		389.858.89		462.107.89		121.732.74
Interest-bearing securities bought — — — — —		2,931.188.15		3,408.965.03		3,589.170.75		3,978.894.58
Loans to Government —		25,000.000.—		25,000.000.—		25,000.000.—		25,000.000.—
Property and fittings — —		36,282.185.25		36,282.185.25		36,282.185.25		36,282.182.25
Other assets — — — — —		35,008.460.93		29,724.054.82		33,710.314.21		30,678.368.76
		1,008,929.370.70		1,044,870.388.10		1,061,475.033.34		1,048,964.726.87
<b>Liabilities:</b>								
Capital — — — — —		100,000.000.—		100,000.000.—		100,000.000.—		100,000.000.—
Reserve fund — — — —		4,653.130.—		4,653.130.—		4,653.130.—		4,653.130.—
Notes in circulation — —		633,548.780.—		631,876.390.—		627,651.390.—		668,433.770.—
Current accounts and other liabilities:								
Government Institutions	63,752.486.12		64,218.696.06		71,995.935.66		36,190.554.26	
Outstanding balances —	138,339.834.—		171,098.651.36		180,837.606.55		162,013.670.52	
Various — — — — —	10,470.474.37	212,562.794.49	9,434.448.53	244,751.795.95	10,735.708.68	263,569.250.89	12,911.135.80	211,115.360.58
Liabilities in foreign cur- rencies — — — — —		13,299.159.02		17,314.089.42		14,766.295.65		16,125.530.79
Liabilities on report trans- actions — — — — —		20,819.983.94		20,674.047.32		19,887.716.70		19,637.048.48
Other liabilities — — — —		24,045.523.25		25,600.935.41		30,947.250.10		28,999.887.02
		1,008,929.370.70		1,044,870.388.10		1,061,475.033.34		1,048,964.726.87

currencies and drafts were gold  $\text{zł}$  88.0 million of which gold  $\text{zł}$  85.0 million resulted from exports\*). At the same time the sale of foreign currencies and drafts was gold  $\text{zł}$  81.4 million, of which

\*) In addition, the transfers during March for exports effected in Złoty amounted to gold  $\text{zł}$  3.9 million.

31st they were covered as to 54.79 per cent by bullion and foreign currency, as compared with 55.43 per cent on the 28th of February. Converted into Dollars at the end of March, the circulation of bank notes was \$ 74.7 million, and the cover was \$ 67.7 million, or 91 per cent.

The increase of bank notes circulation

during the whole month. The reserve of money, in silver and token coins, fell from  $\text{zł}$  6.3 million to  $\text{zł}$  1.9 million, and the reserve of interest-bearing securities rose from  $\text{zł}$  2.9 million to  $\text{zł}$  4.0 million. The amount of report transactions diminished from  $\text{zł}$  28.9 million to  $\text{zł}$  28.0 million.



The changes in the Bank's circulation cover were (in million  $\text{zł}$ ):

	February 28th	March 31st
bills, warrants, with-drawn securities with coupons	329.4	352.0

Polish silver coins and token money	6.3	1.9
loans against securities	10.8	13.0
interest-bearing securities, the pro-		

part of the Bank liability of the Treasury	2.9	4.0
Total:	474.4	395.8

Current accounts decreased insensibly from  $\text{zł}$  202.1 million to  $\text{zł}$  198.2 million.



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## LATEST NEWS

### WARSAW EXCHANGE:

	10.4.27	20.4.27
\$ 1 = $\text{zł}$	8.93	$\text{zł}$ 8.93
£ 1 = "	43.47	" 43.45

### BANK OF POLAND:

ASSETS:	10.4.27	20.4.27
Gold and silver reserve	$\text{zł}$ 154,791,827.38	$\text{zł}$ 154,840,646.32
Foreign balances	" 236,218,141.20	" 237,197,608.48
Bills of exchange	" 362,882,678.69	" 354,843,498.76
Loans against securities	" 13,385,907.91	" 13,365,317.17

### LIABILITIES:

Notes in circulation	660,101,440	643,632,650
Current accounts	242,135,561.44	270,827,665.96

### BANK NOTES COVER

(bullion & foreign currencies)	56.26%	58.05%
--------------------------------	--------	--------

**ERRATA.**—In the preceding Number of "The Polish Economist", Nr 4/1927, the following corrections should be made:

p. 126: table, figures for "oil" and "iron"

59.1	instead of	59.127
54.1	"	54.127
17.1	"	1.704.4
36.7	"	36.671
35.2	"	35.202

And in the same issue, the following corrections should be made in the appended map: "Review of the Economic Situation in Poland":

under "production", figures for "oil"  
59.2 instead of 42.9

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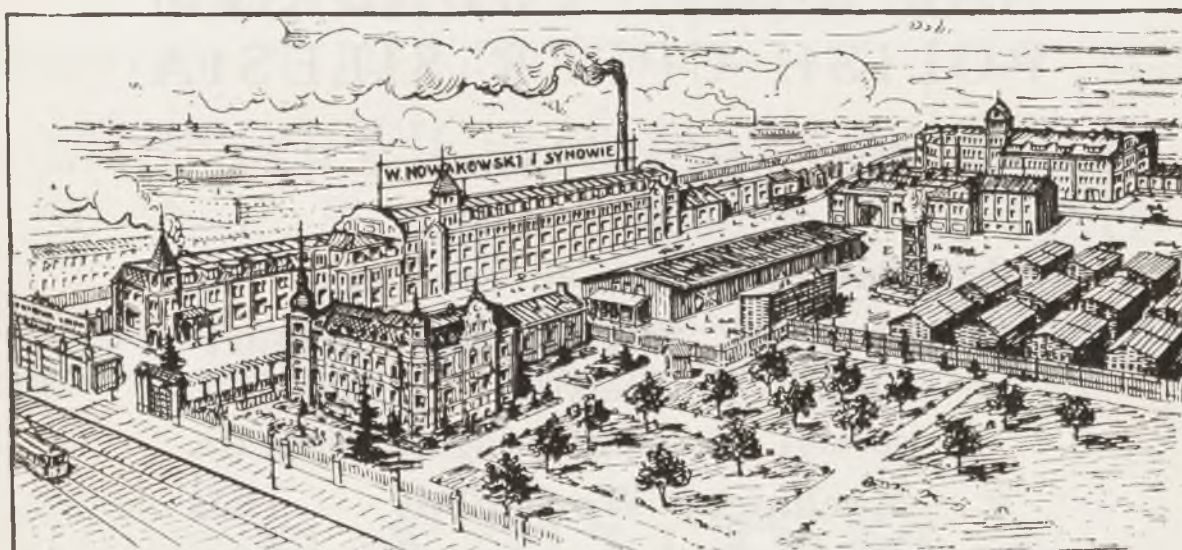
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DE L'ÉTAT POLONAIS EN HAUTE-SILÉSIE



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(POLAND)  
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(SILESIA)  
9—15, RYNEK

T E L E P H O N E :  
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TELEGRAPHIC ADDRESS:  
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